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FBIS-SOV-94-211 *1 November 1994*

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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CSCA Prep Session Ends in Almaty

LD0111111494 Almaty Kazakh Radio Network in Kazakh 0200 GMT 1 Nov 94

[FBIS Translated Text] The third preparatory session for convening foreign ministers for the Conference on Security and Cooperation [CSCA] in Asia has ended in Almaty. It was initiated by Kazakhstan and attended by a number of experts from international organizations. They discussed the proposal to form a special group that will prepare documents on the forthcoming forum. The foreign ministers of the CSCA will attend the forum. Forming of this group has been approved.

Nazarbayev Struggles To Push Eurasian Union

MM0111094994 Moscow IZVESTIYA in Russian 29 Oct 94 p 4

[Report by Boris Vinogradov: "Another Union—But This Time Eurasian? Why Moscow Refutes Nazarbayev's Idea"]

[FBIS Translated Text] Ever since Nursultan Nazarbayev thought of setting up a Eurasian Union on the expanses of the CIS—and this was back in March this year—the attitude both of the masses and individuals toward this idea has remained almost unaltered. Perception fluctuates between impenetrable incomprehension and a reserved "acknowledgment of the general picture."

Efforts to test the water and promote this idea at the recent summit in Moscow also proved unsuccessful. Kazakhstan's leader barely managed to keep the Eurasian Union question on the agenda, and then only in the "any ohter business" section. Alyaksandr Lukashenka—a newcomer to the presidents' club—demanded that it be taken out of the discussion altogether.

Nursultan Abishevich might have expected such blatant ostracism from anybody else but the man who stood alone in his own parliament when he ventured to vote against the 1991 Belovezhskaya Forest Agreements. According to logic, a kindred spirit had to be found in him at least. The lack of logic in the Belorussian [Belarusian] leader's move only reflects all the confusion and chaos surrounding the Eurasian Union.

Few people will remember now that the abbreviation EAU appeared in our midst before CIS as a product of the dream of the great humanist Andrey Sakharov for a union of the peoples of Europe and Asia. During the collapse of the superpower, it was proposed as the new name most in line with the geopolitical essence of the former fraternal, now independent, republics. It most probably failed to gain a foothold for lexical considerations. The word "union" warmed the hearts of some, and shocked others. So closely linked is it with the phrase "...inviolable union of free republics" [from the Soviet national anthem].

Obviously, Nazarbayev took account of this rather important circumstance when he circulated his draft to all CIS aspirants "for perusal and recommendations." I do not know how things progressed in respect of the perusal, but no recommendations followed. According to the results of the Moscow summit, the following configuration of forces emerges.

Boris Yeltsin sees in the EAU many positive points which could be used in the course of integration, but he believes that the peoples "do not want this." Leonid Kuchma has yet to clarify his stance: "It requires reflection." At the end of the conference, Lukashenka declared that he "had been incorrectly understood" when the agenda was being confirmed, and he had thereby completely obscured the position of Belorussia [Belarus]. Mircea Snegur remained enigmatically silent. Eduard Shevardnadze supported it "in principle" as an innovation with which it is possible to step with dignity into the 21st century. Geydar Aliyev also expressed support, but he hedged it around with a mass of provisos and comments. Levon Ter-Petrosyan reiterated the Russian sentiments. Islam Karimov gave an unequivocal "no." Saparmurat Niyazov, who attended the conference only in the physical sense, uttering not a single word at it, kept his thoughts to himself. Askar Akayev, who considers himself a close friend of Nazarbayev, approved. Emomali Rakhmonov seemed also to be "in favor," but he showed no particular enthusiasm.

In other words, the participants in the discussion formed up into a defensive circle, clearly not wishing to make too much of the issue. Everyone seems to understand that it is a matter of some kind of an alternative to the CIS, into the formation of which Moscow is putting so much effort. To vote for the Alma-Ata [Almaty] project would mean opposing Russia, to whom the other members of the Commonwealth are in debt.

Everyday economic reality determines cognizance. One way or another, integration within the framework of the CIS is progressing according to a plan dictated from Moscow. The creation of the Interstate Economic Committee [IEC], where Russia has 50 percent of the votes, formalized its leading role for the first time. Experts believe that this figure is artificially low and does not reflect the real weight of a state possessing such mighty resources. However, Boris Yeltsin managed to obtain a rejection of the principle of consensus—that is, unanimity when taking decisions—which gives him a chance to act more authoritatively.

Behind the fine rhetoric and good intentions, perspicacious Russians detected in the EAU a desire to return to the old system of the distribution of raw material assets. So it is that Konstantin Zatulin, chairman of the Duma Committee for CIS Affairs, suggests: The majority of republics have already realized that they have no future without Russia, but as yet they are not all prepared to pay the real political price for a chance to hitch themselves to its apron strings once again.

Nazarbayev's position is special. His influence abroad rivals that of Gorbachev during the era of perestroyka.

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His laurels on the international arena give rise to jealousy in the Kremlin, and half-hearted utterances regarding Russia's interests prompt suspicion. Nursultan Abishevich is finding it hard to convince Boris Nikolayevich that he does not intend to restore what the latter demolished. (The draft contains an item on the inviolability of borders and the renunciation of strong-arm pressure.)

The domestic situation is another matter. Moscow observes somewhat maliciously that Nazarbayev is between the devil and the deep blue sea: Namely, the nationalists, who curse him for his pro-Russian inclinations, and the Russian-speaking population, demanding dual citizenship and compliance with human rights. It is no accident that the aspiration to transfer the capital from Alma-Ata to northern Kazakhstan was viewed as a political maneuver aimed at lessening the discontent of the Russians [in Kazakhstan].

The very same force of inertia is operating in the case of the EAU. Nazarbayev thumps his chest, trying to demonstrate the sincerity of his kindly feelings toward Russia and the purity of his intentions. Official Moscow is in no hurry to believe him, discerning other "motives" between the lines of the precocious draft. Almaty's proposals to introduce the free movement of citizens and uniform visa regulations, to make the ruble the pannational currency, to create a single defense system, parliament, and legislation, to set up one executive committee as a supra-state organ, and so on, met with a positive response only from an insignificant proportion of Russian politicians.

At the beginning, Sergey Shakhray, Arkadiy Volskiy, Gennadiy Zyuganov, Mikhail Gorbachev applauded enthusiastically. But the applause faded. Now, each of them has furnished himself with his own plan for the reintegration of the post-Soviet area, having been persuaded that the idea of reviving the union has proved more tenacious in people's minds and maybe highly popular at the next elections.

In these conditions, the Alma-Ata initiative has two chances. It will either assume central place in future discussion on the given theme, having undergone adjustments from the sidelines, or else it will be buried by the joint efforts of those who, from the outset, saw it more as a piece of craftiness than as an acknowledged necessity. As well as those who bank on exploiting the nostalgic feelings of the voters, and who are not averse themselves to assuming the role of the new messiah.

Incidentally, Nursultan Abishevich says that he is ready to share copyright, just so long as the "matter goes through."

ITAR-TASS Carries Press Review for 1 Nov

LD0111073194 Moscow ITAR-TASS in English 0645 GMT 1 Nov 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow November 1 TASS—Russian newspapers lively comment on Aleksandr Solzhenitsyn's speech made in the State Duma on October 28.

IZVESTIYA believes that Solzhenitsyn is a "mirror of social confusion". The newspaper observes that the writer's speech before parliamentarians "did not become a big political event". Through his spech he "dashed the simple-hearted illusions of those who still hoped to elevate him to the rank of a spiritual 'father of the nation'.

"Not a single word or idea voiced from the rostrum of the State Duma will be accepted unquestioningly by all Russian citizens without exception and will not become a platform for national accord. But this is yet another sure sign of the social confusion in the minds and sentiments, which has been mirrored, as befits a great Russian writer, by Aleksandr Solzhenitsyn."

NEZAVISIMAYA GAZETA observes that "it is not without interest whether our newspapers, which are subsidised by the state or other establishments to this or that extent, will decide to run the speech, thus making public this mercilessly frank and wise, emotional and bitter analysis of the situation in our country?

"Theoretically, no one in the audience could be pleased with what the great writer said, for his accusations hit the mark. His speech on the whole could not obviously suit any of parties represented in the Duma".

ROSSIYSKAYA GAZETA and PRAVDA run the full text of Solzhenitsyn's speech in the Duma without comment.

Newspapers give prominence to the Usinsk pipeline oil spill. They describe it as a large-scale ecological disaster.

TRUD points out that "foreign experts estimate the oil spill as an ecological disaster which is eight times more serious than the Exxon Valdez tanker oil spill off Alaskan shores several years ago."

"Were it not for an article in an American newspaper and a press conference given by representatives of the U.S. Department of Energy, Moscow, possibly, would not have learned about yet another major breakdown at the Arctic pipeline. The oilspill has once again caught unawares the organizations whose job is to prevent it from happening. But then, this has already become commonplace in this country."

KOMSOMOLSKAYA PRAVDA maintains that "Russian authorities knew about the oil spill in Komi earlier than THE NEW YORK TIMES but kept silent".

The newspaper has available trustworthy data that information about a breakdown in the Russian north came to the Ministry for the Utilisation of Natural Resources and the Ministry for Emergency Situations from the Russian State Committee for Hydrometeorology on September 17.

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Newspapers continue to comment on the latest developments connected with the fall of the rouble rate and the State Duma vote on a motion censuring the government.

In ROSSIYSKIYE VESTI, Aleksandr Livshits, head of the presidential experts group, points out that "the main thing is to draw lessons from what happened. The main lesson is rather simple: Our forecasts are still inadequate, just as our planning in the long term and the determination of the movement of financial flows".

As regards a 1995 budget plan, submitted by the government to the parliament, Livshits said: "The problem is for the government not only orient itself towards budget perfomance but also to find mechanisms to compensate for possible negative consequences of the budget".

In IZVESTIYA, former Finance Minister Boris Fyodorov comments on the draft budget. He believes that "in essence, the budget plan signifies a final parting with the illusion that economic reforms take place in Russia".

Fyodorov's opinion is that the government regards the budget "from a purely fiscal point of view and in reference to inflation, and not as an instrument of economic policy and economic reform as a whole".

In ROSSIYSKAYA GAZETA, Andrey Vavilov, acting minister of finance, and other Finance Ministry leaders set out the basic orientations of the Russian Government's financial policy.

To begin with, the government does not intend to cover budget deficit at the expense of Central Bank credits. Another source has been found—the sale of state securities to lending bankers, Vavilov said.

In order to draw the population's money to banks, the government has given up introducing taxes on deposits and on interest on them. The patching up of the budget will also require foreign credits amounting to more than $16,000 million. Amother measure to reduce expenditure will be to renounce subsidies to agriculture, the coal industry and transport, Vavilov said.

TRUD carries an article by Mikhail Shmakov, chairman of the Federation of the Independent Trade Unions of Russia, who sums up the results of "the October 27 trade unions' action to prevent a deterioration of the working people's living conditions".

"The action was taken in many republican, territorial and regional centres, in other cities of the country, and in thousands of work collectives. The action involved more than eight million people.

"It is seen already now that the trade unions' countrywide action has yielded conrete results. The government, power bodies at the local level, directors of enterprises and employers had to begin to react to the trade unions' demands," Shmakov emphasises.

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U.S. Experts to Visit Site of Oil Spill in Komi

LD3110155294 Moscow INTERFAX in English 1401 GMT 31 Oct 94

[FBIS Transcribed Text] Russia's Ministry for Fuel and Energy expressed gratitude to the U.S. Department for Energy for its offer to send a group of experts to the Komi Republic. According to sources in the ministry, this proposal will be considered after the Commission for Emergency Situations of the Komi Republic finishes its work.

A well informed source told the Petroleum Information Agency that the investigation carried out by the Commission revealed that 14,033 [metric] tons of oil had spilt over as a result of the accident on an oil pipeline.

This source also said that more than 1,000 tons of oil had been collected. The oil spills on streams and rivers have been localized by hydraulic systems. The Commission reports that the Pechora River has not been polluted. Experts of the Ministry for Energy and Fuel assert that oil cannot get either into large fresh-water reservoirs in the Komi Republic or the Nenets Autonomous Districts, or into the Barents Sea.

The collection of oil and clean-up operations continue. The local ecological services report that the clean-up operations are to be finished by April 1, 1995.

Chernomyrdin News Conference Planned on Poland

LD0111054194 Moscow ITAR-TASS in English 0526 GMT 1 Nov 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow November 1 TASS—Russian Prime Minister Viktor Chernomyrdin is to pay an official visit to Poland on November 3-4. On Tuesday he is to hold to a news conference for Russian and Polish journalists about the forthcoming trip.

A tentative program for Chernomyrdin's visit envisages talks with his Polish counterpart Waldemar Pawlak, and a meeting with President Lech Walesa.

The Russian premier is to be accompanied in the tour by a large group of the leaders of Russian ministries, departments, and the Gazprom joint-stock Company, who will hold talks with their Polish counterparts to discuss a wide range of matters concerning Russian-Polish cooperation and the implementation of large-scale joint projects, specifically the construction of a pipeline across Polish territory for the transportation of Russian energy resources to Europe.

Results of the talks are to be summed up by the two countries' premiers at a plenary session, after which the two premiers are to sign a number of documents.

Chernomyrdin is to meet Polish businessmen in the Russian Embassy in Warsaw.

Visit Planned Despite Beatings of Russians

LD3110152894 Moscow INTERFAX in English 1401 GMT 31 Oct 94

[FBIS Transcribed Text] The recent incident when Polish policemen in Warsaw beat and illegally arrested Russian nationals travelling by train from Russia to Germany should not cause the postponement of the visit by Russian Prime Minister Viktor Chernomyrdin which is scheduled for November 3-4. The statement was made on Monday in an interview with Interfax by Deputy Russian Foreign Minister Sergey Krylov.

On Saturday Krylov handed over to the Polish Ambassador in Moscow a note demanding the Polish authorities apologize for what had happened, punish the culprits and grant compensation to the victims.

The clearing up of relations between the two countries concerning the incident and the prime minister's visit are different things, said the Russian diplomat.

It is no secret that crime is raging in Poland and Russia. The diplomat said that crime is not national but supranational in character. "I believe that the incident and the delay with its resolution do not create a favorable background for the visit of the Russian prime minister," said Krylov.

He said that so far the Polish side had not apologized and only expressed regret concerning the incident on October 23 at the Warsaw railway terminal. "Naturally, we shall not forget the incident," said Krylov.

He expressed hope that the Polish government would apologize and that the culprits would be found and punished.

Polish Connivance Suspected in Train Attacks

MM3110132194 Moscow IZVESTIYA in Russian 28 Oct 94 p 3

[Report by Leonid Kornilov: "Incident on Train No. 15. How the Polish Police Got it Across to Russians that They Are Swine"]

[FBIS Translated Text] Warsaw—"You Russian swine! Say it: 'I am a Russian swine,'" the Polish policeman screamed at a passenger from Russia as he hit him with his stick, forced him out of the car, and handcuffed him.

I was very loath to write again about the anti-Russian feeling that is rife among certain circles in Poland. But that is precisely what IZVESTIYA accused its colleages from the respected GAZETA WYBORCZA of following the publication of the piece: "How Stanislaw From Lipsk Saved Poland From Bolshevism for a Case of Denatured Alcohol" (IZVESTIYA No. 186). But what can you do? The facts are compelling.

On 23 October the passengers of three cars of train No. 15, traveling from Moscow to Brussels, were the victims of a flagrant robbery at Wschodni Station in Warsaw.

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Russian-speaking bandits took over all the compartments for more than an hour, operating coolly and unhurriedly, like inspectors. Not only at the station, but even when the cars had been diverted into sidings for a time. On returning to the station, when the armed gangsters with their walkie-talkies had left, the passengers sought help from the police on duty on the platform. It would have been better if they had not.

The victims were set upon by a police detachment—30-40 men with handcuffs, nightsticks, and tear gas. Anyone who came within arm's reach got beaten up. Women were not spared. Our six "most aggressive" compatriots were savagely beaten and taken into custody. In fact, they were either those who had complained or people taken entirely at random. Twice humiliated and abused, they were held in jail for two days. Despite their demands and the requirements of international law, Russian embassy officials were not informed. Finally, they were deemed "innocent" and released without an apology. The inhuman treatment they received, ill-befitting a civilized country, was not condemned.

I wonder how the Polish custodians of law and order would have dealt with U.S., German or Japanese passengers. How would the Poles have reacted if, for example, Polish tourists in Russia had been victims of a savage, mass beating? Compare this with, say, the recent active campaign against the "maltreatment" of Poles in Ukraine.

Two press conferences were held in the Russian embassy building in Warsaw on 26 October. It is gratifying that there were Polish journalists there too. The details emerged. Six young people, bearing the obvious marks of a beating, answered numerous questions.

Aleksandr Shtraub, mine chief from Taldy-Kurgan Oblast in Kazakhstan, said:

"Anything can happen these days, apparently, on the territory of once-friendly Poland! I am simply astonished."

They had used gas to smoke him out of the car. Blows from nightsticks had turned his entire back black and blue. He had been beaten about the head. He had refused to sign a statement: "I don't know any Polish, they hadn't taken any statements from us, and there were no consulate officials present." Before being dispatched to a cell he had his belt and shoe laces removed. Just like in the movies, he chuckled. He used the word "fascism."

Shtraub believes that the police were in cahoots with the robbers. He recalls one of the bandits saying: "Don't even think of going to the police—it will make things worse." Things certainly did get worse. He now knows that a robbery bearing the very same hallmarks took place the next day on the same train, in the same place. He knows that it was the same bandits (he definitely recognized one from a photograph) who had gotten away with the previous robbery.

Vladislav Zhizhin, who was on his way to visit friends in Hamburg, was in a compartment with the chain on the door when a police officer yelled at him: "Open up or we'll shoot." He opened the door—he was handcuffed, beaten with nightsticks, and dragged out onto the platform.

The paper EKSPRES WIECZORNY, whose correspondent was mysteriously on the spot and observed what happened from start to finish, published a report and a photograph captioned: "Police Eject Protesting Russians From Train. Inset: A Picture of Their Compatriot, Beaten Up by Racketeers." The compatriot is Andrey Nikishenko, a young manager, who was set upon by five police officers—not racketeers! They beat him, he fell, they kicked him, and his face was badly cut, yet no medical assistance was given. As a result it was too late to stitch his wounds.

This is a disgraceful business, particularly on the eve of Russian Prime Minister Viktor Chernomyrdin's visit to Poland. An isolated case but not unique, you might say. Instances, sometimes even featuring the slogan "Get the Russians," are accumulating at the Russian embassy consular department.

IZVESTIYA's "How Stanislaw..." item clearly stated: "This piece in no way claims to generalize. But one cannot help noticing...." I still think it premature to talk about a phenomenon. But still one cannot help noticing.

"Glaring instances of the deliberate beating and robbing of Russian citizens have become increasingly typical of late," I. Dolgiy, chief of the Russian embassy consular department, said at the press conference. "The scandalous thing is that the Polish police are participating in these actions and behaving in a crude and prejudiced way. Requests for matters to be investigated are refused. We do not know of a single instance in which Polish police have been punished. As a rule the Russians are invariably the guilty parties. The recent instances are clear evidence of arbitrary and outrageous treatment of Russian citizens. We will endeavor to investigate them objectively and demand that the culprits be punished."

"Can Russia be so helpless?" one of the victims asked at the press conference.

Chernomyrdin, Berlin Mayor Hold Cooperation Talks

LD2810120694 Moscow ITAR-TASS World Service in Russian 1010 GMT 28 Oct 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 28 Oct—Russo-German cooperation was discussed at a meeting today between Russian Federation head of government Viktor Chernomyrdin and Berlin Mayor Eberhard Diepgen. Moscow Mayor Yuriy Luzhkov took part in the meeting.

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Russia and Germany need to cooperate more actively in the fight against crime, including international crime. The heads of the capitals of Russia and Germany stressed this idea in an interview with journalists after the meeting. Yuriy Luzhkov said they also discussed the purchase of German equipment for the Russian militia.

The construction of a high-speed Paris-Berlin-Minsk-Moscow rail link was among the projects discussed, as were more active bilateral trade and the utilization of the experience of privatization in East Berlin in helping remove Russian enterprises from state control.

Kozyrev Meets With King Hassan, Seeks Trip to Syria

LD3110193294 Moscow ITAR-TASS in English 1902 GMT 31 Oct 94

[By ITAR-TASS correspondents Dmitriy Gorokhov, Vadim Lagutin]

[FBIS Transcribed Text] Casablanca October 31 TASS—King of Morocco Hassan met with Russian Foreign Minister Andrey Kozyrev today, who leads a Russian delegation at an international conference on the economic development of countries of the Middle East and North Africa, which is currently under way in Casablanca.

Talking to Russian journalists after his meeting with the king at the royal palace, Kozyrev pointed out a traditionally friendly character of relations between Morocco and Russia. Recently, a legal basis for bilateral relations has been extended, Kozyrev said. "We have not burdened ourselves with debts and we always had mutually advantageous economic contacts. The results of today's meeting will enable the sides to step up work in this direction," the Russian minister said. Kozyrev pointed out that today, a deep apprehension has manifested itself of Russia's role as a political partner in the vast Middle East area as regards the stabilization of the situation, overcoming the crisis in Persian Gulf and work with Iraq.

The Russian minister said that this has nothing to do with support to any extremist actions, but on the contrary, is aimed at step-by-step removal of Iraq from an isolation in which it found itself as a result of aggression against Kuwait. "A mistake made once, even such a bad and severe mistake, should not drive the whole country into a deadlock. The entire Middle East process relies on the fact that former bitter enemies, as a result of a step-by-step advance to peace, are shaking hands with each other," Kozyrev said.

"Our next task is to make a trip to Syria in order to involve it in the peace process. Unfortunately, Syria is not taking part in the Casablanca meeting, but I think that both in the Syrian and the Lebanese directions we shall be able to make a tangible contribution so that steps towards peace be taken there as well," the Russian minister said.

Kozyrev Praises Casablanca Conference

LD3110195094 Moscow ITAR-TASS in English 1927 GMT 31 Oct 94

[By ITAR-TASS correspondents Dmitriy Gorokhov and Vadim Lagutin]

[FBIS Transcribed Text] Casablanca October 31 TASS—"Today, one can already say that the (Casablanca) conference was a success, since political progress recently reached with Russia and the United States acting as co-sponsors, was strengthened by economic steps," said Russian Foreign Minister Andrey Kozyrev, attending an international conference on the economic development of Middle East and north African countries, in an interview with ITAR-TASS today. According to Kozyrev, politics should pave the way to the economy.

Kozyrev pointed out that the participation of the Russian delegation in this conference and the patronage of Russian President Boris Yeltsin offer an opportunity for more active operations of Russian entrepreneurs and state structures on the market of Middle East and north African countries.

"As political stability is reached, additional economic opportunities will be created," the Russian minister said.

Iranian Cooperation Sought in Manufacturing

LD0111092394 Tehran IRNA in English 0803 GMT 1 Nov 94

[FBIS Transcribed Text] Moscow, Nov. 1, IRNA—Head of the Russian State Committee for Machinery Anatoliy Ogartsov here Monday [31 October] called for cooperation of Iran in manufacture of machinery. He made the remark in his meeting with Iran's Ambassador to Moscow Mehdi Safari [name as received].

The two sides exchanged views on Tehran-Moscow cooperation in machine manufacturing and electricity engineering and Ogartsov said that some 1,800 plants and manufacturing firms with 2.5 million personnel were under the umbrella of his committee.

He added that Moscow is also ready to cooperate with Tehran in electricity engineering, automobile and tractor manufacturing as well as production of chemical substances.

The Iranian ambassador in return underlined promotion of bilateral ties and offered proposals to the Russian official for the installation of thermal power plants with different capacities and cooperation in the installation of a coal-fueled power station in Iran's eastern province of Khorasan.

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Proceedings at IMF's Madrid Meeting Summed Up

MM0111135594 Moscow ROSSIYSKAYA GAZETA in Russian 29 Oct 94 p 15

[Report by Anatoliy Shapovalov: "Tied Hand and Foot for the Sake of Currency. IMF Setting Too Stringent Conditions for Russia"—from the "Biznes v Rossii" section]

[FBIS Translated Excerpt] Russia prepared for the Madrid meeting seriously, storing up initiatives "worth" $12 billion for its participants. Were its plans realized?

The Russian delegation, headed by Vice Premier Aleksandr Shokhin, was greeted at the Madrid summit, as in the past, with the by now nauseating questions: What is the deficit like, what is happening to the ruble, and so forth. In response they asked equally forthright questions, in particular: And what about the promised, but not delivered, ruble stabilization fund ($6 billion); what is the esteemed assembly's attitude to the intrinsically new scheme for extinguishing the former Soviet Union's debts (restructuring of the debt)? The world's bankers and financiers had not expected the tables to be turned in this way, and therefore were not ready to reply.

On the other hand, they took their revenge elsewhere. Financial and credit wrangles, which sometimes went on into the small hours, proved fruitless and the desired compromise remained out of reach. Moreover, at the session of the Interim Committee, the IMF's executive organ, fundamental disagreements emerged between the rich and poor countries. [passage omitted]

"The Interim Committee has not coped with the tasks on the agenda," A. Shokhin commented on what happened. He cited as a positive factor the fact that the Interim Committee has decided to increase the quotas of access to the IMF's reserve funds. Now this organization's member countries have the right to draw up to 90 percent, rather than 68 percent, of its authorized quota.

The annual assembly does not possess the prerogative to resolve questions of debt. But the Russian delegation, in view of the quorum of the powerful of this world and the importance of their opinion, nevertheless used the rostrum of the assembly to turn the discussion to this topic. Its hunch paid off. A. Shokhin and K. Fonts [name as transliterated], chairman of the Consultative Committee—the leading organ of the so-called London Club, which unites 60 banks—signed an agreement opening the way to the rescheduling of Russia's USSR-inherited debt to foreign commercial banks. This document, in K. Fonts' opinion, represents a real breakthrough in Russia's relations with the London Club. It is the result of long and difficult discussions and negotiations, since "questions of a debt of $24 billion cannot be resolved at a single breakfast."

A major unresolved question was overcome at Madrid, A. Shokhin said. The problem, in juridical parlance, was the question of which party was to appear for the Russian Federation in the agreement. The banks insisted that this party should be the state—the Russian Federation. We considered that the government was perfectly adequate. In the event that the agreement is violated, from whom should the banks seek legal redress—the state or the government? After several tense days and nights of work we managed to find a solution. We managed to elaborate a formula in Madrid which enables the government, as well as the state, to avoid a possible legal blow or judicial hearings. In accordance with the mutual understanding reached, the party and debtor is to be the Bank for Foreign Economic Activity to whose account, in point of fact, all the credits granted by the commercial banks belonging to the London Club were registered. The government gives a political guarantee to support this debtor in case of any difficulties. The process of agreeing questions on the rescheduling of the debt is now eased. The problem of debts, of course, is not to be resolved by restructuring, rescheduling, or so forth. It is very important that the Russian economy should start working, that it should generate income, so that capital which is flowing abroad begins to return to the country.

In general, as you can see, the Russian delegation returned from Madrid, where it had to mount a serious defense of its own interests, by no means just with losses. There were also substantial gains.

May 1995 Admission to Council of Europe Predicted

LD3110152794 Moscow INTERFAX in English 1401 GMT 31 Oct 94

[FBIS Transcribed Text] Federation Council Speaker Vladimir Shumeyko told INTERFAX after the talks with a delegation of the Council of Europe's Parliamentary Assembly in Moscow on Monday, that he hoped Russia would be admitted to the Council of Europe by May 1995.

Head of the delegation and Chairman of the Parliamentary Assembly's Committee for Political Affairs Ernst Mullemann said that no forecasts should be made concerning the time of Russia's admission to the Council of Europe. He also said that Russia's road to the Council of Europe will be tortuous rather than direct.

The delegates have brought to Russia 20 key questions concerning the balance of power, the rights of citizens and the work of the judicial bodies. They stated that they must receive official answers to these questions on which the delegations' conclusions on the possibility of Russia's admission to the Council of Europe will depend. These conclusions will be read out in the Parliamentary Assembly in Strasbourg in November 1994.

Speaking about the problem of power sharing in Russia, Mullemann welcomed the fact that the State Duma and the Federation Council were working jointly with the president.

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"We shall build a bridge between Moscow and Strasbourg, and help Russia find the shortest way to free development, democracy, market economy and human rights," said Mullemann.

Soskovets' Upcoming Visit to Japan Previewed

LD3110230294 Moscow Golos Rossii World Service in Russian 2010 GMT 31 Oct 94

[FBIS Translated Text] As is expected, the planned visit to Japan by a Russian government delegation, led by Russia's First Deputy Prime Minister Oleg Soskovets, might begin 25 November. Vladislav Kozyakov comments on the impending visit.

This is the first time that such a high-ranking delegation from Russia has been invited to Tokyo to discuss economic contacts. The leader of the delegation, the first deputy prime minister of Russia, is directly in charge of national economy and trade. Speakers of both houses of the Russian parliament, ministers, chairmen of state committees, and also a number of factory directors and other enterprises will be among the delegation.

The first deputy prime minister believes the forthcoming visit will represent an important stage in the relations between the two countries. Recently in Moscow while receiving a delegation of the inter-party Japanese-Russian friendship parliamentary association, Oleg Soskovets informed them that Russia intends to make a number of interesting, mutually beneficial cooperation project proposals to Japan. Among these, for example, is the reconstruction of the Nesteorg Siendhurst factory in Yaroslavl, costing about $240 million, the modernization of the vehicle factory Leninkomsomol in Moscow, costing $140 million and also the modernization of the Kamaz vehicle factory in Tatarstan and as well a major factory in St. Petersburg, Impuls. These four projects are priority.

Japan will also be offered projects of mutual cooperation. This includes Japanese participation in the Russian Far East where at present about 500 joint venture enterprises, with the participation of foreign companies, are active. Such joint cooperative efforts also include working together to assist small and medium scale businesses in both countries.

During the visit of the Russian government delegation, some contracts are expected to be signed, thus for example, the Russian gas industry is planning to sign with Japanese companies five deals costing $150 million, while the Russian oil company Lukoil will sign a contract with the Mitsui Bussan corporation, a deal on the purchase of oil extracting machinery costing $700 million.

The prospects of broadening economic ties creates the possibility, as is hoped in Moscow, for the rescheduling of Russian debts to Japanese companies within the framework of the agreement of the Paris Club of creditors. The debts now stand at $950 million dollars. There are other issues, for example the protection of investments and the abolition of double taxation that have not been resolved as yet, but the preparation of the drafts of joint documents for the forthcoming visit to Tokyo is continuing at expert level in both countries.

There's still time to close the gap in positions on the issues of commercial relationships. The tendency to broaden mutual understanding in economic relations between Russia and Japan is in itself remarkable. At present, two of the largest poles in world trade, the United States and the European Union [EU], have embarked on full normalization of business ties with Russia. This is attested to by last summer's signing of an agreement of partnership and cooperation between Russia and the EU and the document on partnership for economic progress between Russia and the United States signed last month. Now, and during the forthcoming visit of a Russian government delegation to Tokyo, a chance of progress in trade between Russia and Japan will present itself. Japan, which is regarded as the third trading center in the world, cannot lag behind its main competitors on the world market, writes Vladislav Kozyakov.

Soskovets, Foreign Ministry Split Over Territorial Issue

OW0111060694 Tokyo SANKEI SHIMBUN in Japanese 29 Oct 94 Evening Edition p 1

[Report by Yasuo Naito]

[FBIS Translated Text] Moscow, 28 Oct—A Russian Government source said on 28 October there was a serious rift between First Deputy Prime Minister Oleg Soskovets and the Foreign Ministry over policy toward Japan. Soskovets, who is scheduled to visit Japan on 25 November, has refused the Foreign Ministry's initiative in the territorial dispute with Japan. The internal discord in the Russian Government is likely to affect the future direction of Japan-Russia negotiations.

According to the source, Soskovets met officials of the Foreign Ministry, Financial Ministry, Foreign Economic Relations Ministry, and State Fisheries Commission in mid-October to prepare for his trip to Japan. The source said relations between the first deputy prime minister and the Foreign Ministry worsened considerably after the meeting.

At an inter-ministry meeting held several days after Soskovets' 10 October meeting with Japanese Ambassador Koji Watanabe, Soskovets noted his view that Moscow should call for Japanese cooperation in such areas as establishing free economic zone on the four Northern Territories islands and expanding the Export-Import Bank loans and private-sector investments. However, he did not refer to the Northern Territories issue.

Director Dobrotvorskiy [name as published] of the Foreign Ministry's Japan Department told Soskovets:

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"Japan will try to draw some concessions on the territorial issue from you. If you do not touch on the territorial issue, Japan will not give you any economic accords." Soskovets reacted angrily. He reportedly telephoned Foreign Minister Andrey Kozyrev immediately after the meeting and yelled: "He (Dobrotvorskiy) does not want me to go Japan."

Relations between Soskovets and the Foreign Ministry cooled further following this "incident." Soskovets no longer discusses plans for his trip to Japan with the Foreign Ministry. And when he made inquiries for information about Japanese history, culture, relations with Russia, and the current political situation, the ministry simply provided brief reference materials without any instruction.

Soskovets has control over 16 ministries and state commissions, including the Fuel and Power Engineering Ministry, and he often serves as the acting prime minister when Prime Minister Viktor Chernomyrdin is out of the country. His political influence is rapidly growing as a result of having President Boris Yeltsin's full confidence. These days he is often called the "de facto prime minister."

It is not certain what he will offer on the territorial issue. However, some speculators say his "anti-Foreign Ministry" attitude may be a sign of a unique approach to Japan.

Discord Over Soskovets' Japan Visit Denied

LD0111135494 Moscow ITAR-TASS World Service in Russian 1227 GMT 1 Nov 94

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[FBIS Translated Text] Moscow, 1 Nov—Allegations that disagreements have arisen between the Russian government and the Foreign Ministry over preparations for Russian First Deputy Prime Minister Oleg Soskovets' visit to Japan are "absolute fabrications and, furthermore, absurd." This was Foreign Ministry press and information department spokesman Grigoriy Karasin's comment on an article published in a Japanese newspaper the other day. Speaking at today's briefing here, he voiced the hope that "this nonsense will not do the rounds of other mass media, including Russian ones."

The official Foreign Ministry spokesman emphasized that the deputy prime minister's visit, scheduled for the end of November, "will undoubtedly be one of the most important events in Russo-Japanese relations." This trip, he said, "aims to expand substantially mutually-beneficial ties in all spheres—this is how its prospects are assessed by both sides, which are currently intensively working out issues relating to the forthcoming negotiations."

The Russian Foreign Ministry, Karasin said, is taking an active part in all preparations for Oleg Soskovets' visit, in conjunction with other government departments responsible for trade and economic cooperation. Russian Deputy Foreign Minister Aleksandr Panov, senior officials from the Ministry of Foreign Economic Relations, the Russian State Committee for Fisheries, and other ministries are taking part in consultations on this. The Foreign Ministry is fulfilling all the tasks and functions which fall within its remit, including by means of almost daily contacts with the Japanese Foreign Ministry and the Japanese embassy in Moscow.

Karasin also drew attention to published articles which give a "sick" and false interpretation of statements by a number of Russian leaders on the problem of the peace treaty with Japan. "The Russian position on this point is quite clear, it is laid down in the Tokyo Declaration signed during Russian President Boris Yeltsin's visit to Japan last year. This position has not changed," Karasin said.

Russians, Japanese Discuss Koreans' Repatriation

MM3110145194 Moscow PRAVDA in Russian 29 Oct 94 p 3

[Untitled, unattributed report under the "In Brief" rubric]

[FBIS Translated Text] Russian-Japanese working consultations on the terms for repatriating from Sakhalin Koreans who wish to return to their historical motherland will take place in Moscow at the beginning of November. An accord on this has already been reached between the two countries' governments, the newspaper TOKYO SHIMBUN reports.

Antimonopoly Chief's Japan Trip Described

MM3110125794 Moscow IZVESTIYA in Russian 29 Oct 94 p 3

[Report by Sergey Agafonov: "I Like It When A Minister Is Lazy"]

[FBIS Translated Text] Tokyo—At a news conference on the results of his visit to Japan (the second this year), Leonid Bochin, chairman of Russia's Antimonopoly Committee, honestly and even somehow joyfully admitted that he is "by nature a lazy person." This admission touched the numerous reporters who had gathered there, including the author of this report, since in our country ministers have always claimed other attributes—businesslike, active, experienced, intelligent, energetic, and, in extreme cases, young. It was the first time that fate had brought me together with one who was "by nature lazy," and to be honest, this left a pleasant impression of the meeting.

The main "pleasantness" is that our nice antimonopoly chief is not hiding anything from the press—he arrived at the head of a Russian Government delegation (made

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up of two people, with himself as the head) to participate in the work of the first meeting of the working group for small and medium business under the aegis of APEC [Asia-Pacific Economic Council] (Russia is not a member and has not received a formal invitation to participate), with extensive and flexible powers (of observer) "to check the sum total of our actions in the sphere of small and medium business against those of the APEC countries." During the visit "Russia's voice was heard at the APEC conference" (the head of the delegation was not allowed to give a report, but during the round of questions and answers a Russian diplomat attached to the delegation read a report in Japanese on the situation as regards small business in Russia, and there were also interviews in the local press), and a meeting was held with Hasimoto, Japanese minister of trade and industry (either five or seven minutes, standing, at the end of the event in the auditorium) as well as with a representative of the country that is organizing the next APEC conference on small business—Australia.

Aside from participating as observer in the conference of the international organization (on his return to Moscow the head of the government delegation will report to the Russian leadership on the advisability of joining it), there were useful and necessary discussions in Tokyo with the Japanese deputy foreign minister, the head of the Japanese commission for fair deals (a nongovernmental organ which to a certain extent corresponds to the Russian Government's Antimonopoly Committee), and the chief of the Ministry of Trade and Industry department in charge of the affairs of small and medium business in Japan.

Aside from "checking the sum total of our actions," these discussions also included "exchanges of annual reports and legislative acts, and an in-depth study of the procedure for collaboration between the antimonopoly services of both countries." But the main thing was sounding out the possibility of preparing some kind of a document on cooperation in the sphere of small and medium business and of antimonopoly policy as a whole, the signing of which could be timed to coincide with a visit to Tokyo by Mr. Soskovets, first vice premier of the Russian Cabinet, who received Mr. Bochin on the eve of his departure for Japan and who accords great significance to collaboration between the two countries in the sphere of antimonopoly policy. As Leonid Bochin noted, he was not given any special assignment by Oleg Soskovets, but he got the impression (maybe wrongly?) that the first vice premier would have little to sign on the basis of the results of the upcoming visit to Tokyo, and in that connection small and medium business and its problems may prove to be very opportune.

Leonid Bochin also said a lot of interesting things about the activity of the committee he has been entrusted with at home. This part of the news conference made you realize that in his immediate work our antimonopoly minister is not just involved in "checking the sum total of actions" with foreign colleagues but also in serious problems which are fundamentally important for the declared Russian reforms. And quite honestly, against the backdrop of the real achievements in the activity of the antimonopoly department, previously unknown in the expanses of the fatherland, the not too successful account of a not very productive foreign assignment must simply be struck from the government delegation head's balance sheet, and it must be recognized that in this specific case it is a good thing that the minister is by nature lazy. The candidly lazy chief will not get involved in useless and "superfluous" work.

Japanese Ships Fired Upon in Russian Waters

LD3110151394 Moscow INTERFAX in English 1401 GMT 31 Oct 94

[FBIS Transcribed Text] Eight Japanese vessels violated on Monday, at 12:30, local time, the sea border of Russia in the direction of South Kuril islands and penetrated deep into Russian territorial waters, a spokesman for the border troops told Interfax.

After the Russian patrol boat took warning measures, it opened fire. The vessels left Russian territorial waters.

Navy Commander Gromov in PRC for Cooperation Talks

LD0111073694 Moscow ITAR-TASS World Service in Russian 0528 GMT 1 Nov 94

[By ITAR-TASS correspondent Grigoriy Arslanov]

[FBIS Translated Text] Beijing, 1 Nov—"The aim of my visit is to get to know China's navy and discuss issues of military-technical cooperation between the two sides," Admiral Feliks Gromov, commander in chief of the Russian Navy, told ITAR-TASS today after arriving in Beijing by a regular Aeroflot flight. The visit is taking place in line with protocols on cooperation signed by the Russian and Chinese defense ministers.

During his five-day visit, Gromov will hold talks with Admiral Zhang Lianzhong, Commander of PLA Navy, and meet Liu Huaqing, vice chairman of the Central Military Commission.

During his tour of a naval bases in Qingdao and Shengzhen (southern China) Gromov will meet the commanders of the North Sea and South Sea Fleets of the PLA Navy.

Malaysian Airforce Commander Arrives in Moscow

LD3110151294 Moscow INTERFAX in English 1401 GMT 31 Oct 94

[FBIS Transcribed Text] Malaysia's Airforce Commander General Dato Gany Aziz arrived in Moscow on Sunday to oversee the fulfillment of a contract on the

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delivery of Russian-built MiG-29 aircraft to his country, the press center of the Russian airforce told INTERFAX.

Russia is to supply 18 MiG-29 fighter planes by the end of this year under a deal signed in June.

During his visit ending on November 5, the general is expected to see the officials of the state Rosvooruzhenie company and visit a number of aircraft-making plants and design offices.

Oil Deliveries to Cuba Suspended

LD3110164994 Moscow ITAR-TASS World Service in Russian 1540 GMT 31 Oct 94

[By BUSINESS-TASS correspondent Irina Bolshova]

[FBIS Translated Text] Moscow, 31 Oct (ITAR-TASS)—Russia has suspended the oil deliveries to Cuba for which Havana was paying in raw sugar. The reason is the Cuban side's failure to provide the necessary quantity of sugar to meet its commitments. This was announced today in an interview with BUSINESS-TASS by Oleg Davydov, minister of Foreign Economic Relations of the Russian Federation.

According to his announcement, the Russian side was to deliver to Cuba 2.5 million [metric] tons of oil in 1994 and receive about one million tons of raw sugar. Of these quantities, 1.5 million tons of Russian oil and about 500,000 tons of Cuban raw sugar have been delivered.

According to our information, Cuba does not at present possess the necessary quantities of raw sugar to meet its obligations to the Russian side, the minister noted. The new harvest will only begin in January 1995. We therefore deemed it possible to sell the remaining one million tons of oil on the free market and thus top up the country's budget by about $120 million. Continuing deliveries of Russian oil while Cuba has no raw sugar would have meant practically granting that country an interest-free loan for 6- 7 months but Russia cannot agree to that in the present economic conditions, Oleg Davydov said.

If Russia needs to purchase raw sugar after processing its own crop of sugar beet, we are ready to return to talks with Cuba on this question in 1995, the minister noted. However, in Oleg Davydov's opinion, the future implementation of such "sugar-oil" deals is inexpedient because, as practice has shown, it does not lead to price restraint on the internal market.

Chief of General Staff To Depart for Cuba

LD2910143094 Moscow ITAR-TASS in English 0740 GMT 29 Oct 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Moscow October 29 TASS—Colonel General Mikhail Kolesnikov, chief of the General Staff of the Russian Armed Forces, leaves for Cuba for a working visit today. During the visit, which will last until November 2, the Russian military delegation will have talks with the command of the revolutionary armed forces of Cuba.

The last officers and men from the 3,000-strong Russian motorise rifle brigade left Cuba in June 1993, thus ending the 30-year-long military presence in that country, which was started by the 1962 missile crisis. Some 20,000 Russian troops were deployed in Cuba, when the Cold War was at its peak The Soviet electronic intelligence centre was also deployed in Lurdes, Cuba, at that time.

Cuba has not received any weapons from Russia since 1990, and the deliveries of spares for the military hardware were stopped in 1991.

Working talks on Russian-Cuban military-technical relations were held in Moscow in November 1993. Cuban Deputy Defense Minister Caso Sergueiro was received by Chief of the General Staff of the Russian Armed Forces Mikhail Kolesnikov.

Deputy Prime Minister Oleg Soskovets said at the talks with Deputy Chairman of the Cuban Government Lionel soto last June that Cuba may become a springboard for the advance of Russian high technologies to the Latin American markets.

Ongoing U.S. Hard Line on Cuba Questioned

MM3110162594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 29 Oct 94 p 2

[Article by Aleksey Bausin: "Postscript: United Nations Condemns U.S. Blockade of Cuba. Almost Unanimously"]

[FBIS Translated Text] The result of a discussion of the problem of the U.S. blockade of Cuba at a plenary session of the UN General Assembly a few days ago may quite well be considered a victory for Cuban diplomacy. The General Assembly adopted a resolution on "The Need To End the U.S. Economic, Trade, and Financial Blockade of Cuba." The document was backed by 101 states, including Russia, with 48 abstentions. Only the United States and Israel voted against it.

The General Assembly voiced concern that the United States had disregarded its previous resolutions on lifting the blockade and once again urged Washington to do so as quickly as possible. The Assembly pointed to the inadmissibility of extending U.S. internal jurisdiction outside its own territory to the detriment of third countries. It also confirmed states' right to freedom of trade and navigation.

The United Nations has already discussed the problem of the U.S. blockade of Cuba on several occasions. However, the current vote demonstrated extremely clearly that the White House still does not know what to

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do about Fidel Castro, who for several decades now has pretty successfully resisted Washington's attempts to overthrow him. At the same time I must point out that, regardless of who is president, U.S. policy toward Havana remains unchanged, to wit no contacts with the Havana regime until political and economic reforms are carried out on the island. U.S. spokesman Viktor Marrero said that preserving the Cuban blockade is the best means of democratizing it. "U.S. policy aims to promote the peaceful transition to democracy by means of careful use of sanctions against the Cuban regime," he said. However, at the same time the United States is by no means shunning contacts with China, Vietnam, or North Korea, where Communist regimes are still in power. In many respects the immutability of Washington's policy toward Havana is due to the fact that the "Cuba question" is more of a domestic than a foreign policy issue. The influence on the White House of the hard-line anti-Castro opposition in Miami is too strong.

At the same time the Latin American countries, for all their differences of approach to Cuba, have for a long time now been saying openly that the economic blockade of the island is out of time.

The change in Russia's position on the blockade question is also indicative. Let us not forget that after the breakup of the Soviet Union, which acted as Cuba's main ally, Havana effectively lost not only Moscow's financial and economic but also its political support. And whereas Russia abstained in the two previous ballots, this time Russian diplomats have taken up a clearer position.

"Unilateral measures to impose a trade, economic, and financial blockade on Cuba not only do nothing to promote greater openness in Cuban society but, on the contrary, retard democratic transformations and economic reforms in this country and hamper Cuba's fuller integration into international and Latin American economic structures," Russian spokesman Eduard Kudryavtsev said. At the same time he stressed: "As far as Russia is concerned, we still maintain normal trade and economic ties with Cuba based on mutual advantage and strictly in accordance with universally recognized principles of states' sovereign equality, noninterference in their internal affairs, and freedom of navigation."

According to Grigoriy Karasin, an official Russian Foreign Ministry spokesman, Russia backed the resolution mainly because "it cannot agree in principle with unilateral actions taken in violation of established international legal norms." "We believe that the anti-Cuba blockade is a throwback to the Cold War and freezes a seat of confrontation in the Caribbean region," the diplomat noted.

At the same time Karasin indicated that Russia's position "in no ways means the neglect of human rights violations there in Cuba."

The Russian side believes that a mutually acceptable solution to the problem of tension over Cuba, including the question of the economic blockade, should be sought via the emerging bilateral U.S.-Cuban dialogue.

Should we expect Russia to try to act as some kind of mediator between the conflicting parties, as has been the case in Iraq and Yugoslavia? Bearing in mind the long-standing history of relations between Havana and Moscow, the preconditions for this certainly do exist.

'Double Key' Principle Still Applies To Bosnia

LD3110152694 Moscow INTERFAX in English 1401 GMT 31 Oct 94

[FBIS Transcribed Text] Reports that the "double key" principle, in accordance with which the U.N. has the deciding vote when decisions on the use of force in Bosnia-Herzegovina are taken, has been given up, are not true, according to a senior member of Russia's Foreign Ministry.

He said a preliminary review of materials relating to consultations between NATO officials and representatives of the U.N. secretariat held in New York recently shows that no crucial changes have been made in the existing procedure of taking decisions on the use of force in Bosnia-Herzegovina. The reasons that may lead to taking a decision on the use of force toward any of the warring sides—threats to the servicemen from the U.N. protection forces in the former Yugoslavia, raids on humanitarian convoys and violations of the safety area regime—also remain unchanged, he said.

On Sunday, before his departure for Casablanca, Russian Foreign Minister Andrey Kozyrev told Interfax that Russia would recall its peace-keepers from Bosnia if the "double key" principle were abandoned.

NATO's 'Greater Freedom of Action in Bosnia' Viewed

MM0111114194 Moscow KRASNAYA ZVEZDA in Russian 1 Nov 94 p 3

[Article by Sergey Sidorov: "NATO Strengthens Its Role in Bosnia"]

[FBIS Translated Text] The North Atlantic bloc has received greater freedom of action in Bosnia and Herzegovina from the United Nations. Following several rounds of talks with UN representatives, NATO managed to obtain agreement from them for bombardments without warning, and indeed on several targets. What is more, installations belonging exclusively to Bosnian Serbs, that is, one of the two warring sides in Bosnia, are automatically assumed to be targets. The agreement between the UN and NATO leaders was formally approved at the NATO Council at the end of last week.

Whereas earlier NATO used to coordinate all strikes on named targets (there have been four this year—all on the positions of the Bosnian Serbs) with the United Nations, henceforth any of the previously determined targets may

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be subjected to bombardment without any further coordination with the "blue helmets" command in the former Yugoslavia.

Furthermore, as the foreign press, and the British press in particular, is noting, hitherto NATO aviation was only allowed to attack relatively insignificant targets, whereas according to the new rules, NATO is obtaining the possibility of choosing up to four targets which have real military significance. According to information in the London TIMES, questions connected with the further "improvement of the process of adopting decisions on the part of NATO and the United Nations in the former Yugoslavia" will be discussed by U.S. Secretary of Defense William Perry and his British counterpart Malcolm Rifkind, who went on a visit to Washington Monday [31 October].

As military experts are noting, NATO is increasingly insistently seeking the final say in questions of using force in the former Yugoslavia. Formally, according to the new rules, the French General de Lapresle, commander of the "blue helmets," reserves the right to interrupt a NATO air raid if he considers that one or two strikes "are already sufficient." However, military analysts are noting, the possibility of striking without coordination is in itself a fundamental and far-reaching concession by the United Nations.

As we know, Russia found out about all four NATO bombardments in Bosnia after the event. To be more precise, as a permanent member of the UN Security Council, Russia's agreement with the fact that the use of force in Bosnia is sometimes necessary was treated too freely and in a one-sided way in Brussels. In such situations, the presence of Russian "blue helmets" in the Sarajevo area has been at odds with the idea of partnership between NATO and Russia. In other words, Russian servicemen, even those "attached" to the United Nations command, were forced to experience the consequences of decisions in whose adoption their national government did not take part.

According to military experts, the withdrawal of the Russian battalion from Sarajevo will inevitably be put on the agenda if NATO definitively replaces the United Nations in the question of using force in Bosnia.

Commentary Views Bosnia-Herzegovina Situation

LD3110143794 Moscow Radio Moscow World Service in English 1210 GMT 31 Oct 94

[Commentary by Yuriy Solton]

[FBIS Translated Excerpt] And now Yuriy Solton considers the situation in Bosnia, and this is what he writes:

The latest developments in this former Yugoslav republic are an object of deep concern. [passage omitted]

There's no denying the fact that one of the reasons which accounts for the complication of the situation in the country is the refusal of the Bosnian Serbs to accept the peace plan worked out by the international contact group. But it's the Muslims who, though they formally decided against the plan, are obviously provoking military operations.

The Bosnian Government, in fact, represented by the members of the Muslim community, is wrongly reacting to the position taken by the world community which the Sarajevo authorities assess as an [word indistinct] from armed struggle.

Russia's minister for foreign affairs, Andrey Kozyrev, voiced this opinion talking with correspondents.

The introduction by the United States of the draft resolution for the consideration of the Security Council on the lifting of the embargo on arms supplies to Muslims is just in case here. [sentence as heard] This fact and the Muslim's military activities are interconnected somewhat.

Russia is concerned about this course of developments. Moscow wants the international contact group to work in close unity with the United Nations Security Council and thus preference be given to a political settlement and not to the use of force. And the possibility of rejection of the so-called double key—the two-step system to adopt the decision on the use of force in Bosnia—can't be ruled out either. Here the United Nations has and must have the final say.

However, NATO managed to persuade the United Nations representatives to give them preliminary consent to greater freedom, as regards the dealing of air strikes in Bosnia.

If fundamental changes are introduced into the United Nations mandate on the use of the NATO air force, and should they touch on the double key, or should the NATO have the final say, this would radically change the whole meaning of the international operation in Bosnia. In this case it would be the NATO operation and not the United Nations operation. And should this be the case Russia, as Andrey Kozyrev said, would immediately raise the question on the withdrawal from Yugoslavia of its military contingent, that is, part of the United Nations peacekeeping forces.

German Paper Cited on Scale of Russian Forces

MM3110161194 Moscow IZVESTIYA in Russian 29 Oct 94 p 1

[Report by Yevgeniy Bovkun: "German Scientists Amend Number of Russian Troops"]

[FBIS Translated Text] Bonn—Scientists from the institute for the study of the problems of the former Soviet Union, which is based in Frankfurt am Main, are claiming that the Russian top brass are deliberately understating the number of troops that our country currently possesses.

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In their opinion, the number of men "under arms" in Russia is not 2.3 million but 4.8 million. The fight against crime and the prevention of catastrophes are being used as pretexts for militarization and an intensification of the arms race, N. Nor-Mezek, the institute's director, told a correspondent from the newspaper BILD AM SONNTAG.

After the 1990 CSCE conference, in the Frankfurt specialists' opinion, the then Soviet Union was given an opportunity to transform some of its armed forces into internal security forces: The soldiers who returned from abroad were merely given a different uniform. But they retained their offensive weapons.

According to their figures the numerical strength of the various military formations in Russia is now as follows:

troops directly subordinate to the Defense Ministry—2.57 million (the official figure is 2.3 million);

troops subordinate to the Interior Ministry—490,000 (official figure—324,000);

border troops—370,000 (official figure—210,000);

Federal Counterintelligence Service troops—186,000 (official figure—130,000);

construction troops—170,000 (official figure—100,000);

the president's mobile subunits—102,000 (official figure—90,000).

In addition to this, there are the following formations for whose numerical strength there are no official statistics because of their strict secrecy;

Defense Ministry specialized construction forces—90,000;

government troops—127,000;

subunits for the protection of individuals and state installations—210,000;

troops for countering the aftermath of disasters—310,000.

The total: 4.8 million.

Prospects for Cooperation with Italy's ENI Outlined

MM3110160794 Moscow RABOCHAYA TRIBUNA in Russian 28 Oct 94 p 3

[ITAR-TASS report: "Lukoil Knows With Whom To Go Into Prospecting"]

[FBIS Translated Text] The Russian oil company Lukoil and the Italian oil company ENI have signed an agreement on expanding cooperation in the sphere of prospecting. Commenting on the signed document, Lukoil President Vagit Alekperov said that the agreement was signed during Italian Prime Minister Silvio Berlusconi's visit to Moscow. He also stressed that the document is long-term in nature and opens up the possibility of even closer cooperation between the two companies.

It notably makes it possible to combine their flows of finance to carry out major joint projects. We are talking, in particular, about pooling efforts to develop new oil fields in West Siberia, construct the Yuzhnyy oil refinery in the area of Novorossiysk, and create a network of service stations in Russia, East Europe, and the Baltic countries.

Additionally, the agreement signed will make it possible to intensify work in a number of joint projects already under way, particularly in Tunisia and Egypt, where Lukoil is working jointly with Agip, which also forms part of the ENI concern.

The Italian concern's General Director Barnabe Franco noted that the agreement creates prerequisites not just for closer production cooperation but also for the strategic alliance of the two companies in the future.

It should be borne in mind that ENI was one of the first foreign oil companies to cooperate with enterprises of the former Union's fuel and energy complex back in the fifties. ENI started actively cooperating with Lukoil the moment the company was set up. The network of service stations built through the joint efforts of Lukoil and Agip which is opening in the capital may be cited as a notable example of such cooperation.

Moscow To Preserve Tough Stand on Caspian Consortium

LD3110155694 Moscow INTERFAX in English 1401 GMT 31 Oct 94

[FBIS Transcribed Text] Moscow will stand against attempts to violate the agreement on the Caspian Pipeline Consortium (the Kazakh-Russian-Oman project for the construction of a pipeline from the Kazakh Tengiz oil and gas deposit to the Russian port of Novorossiysk), the Petroleum Information Agency was told by a spokesman for the Russian Fuel and Energy Ministry.

"Russia only joined the Caspian Pipeline Consortium (CPC), which was initiated by the agreement between Kazakhstan and Oman. We believe that any drastic changes in the consortium are undesirable for the successful implementation of the project," said the spokesman commenting on the recent statement by Kazakhstan's President Nursultan Nazarbayev about Almaty's possible support of the participation in the CPC of the American Chevron instead of the Oman Oil Company.

The leader of the Russian oil complex believes that the repayment of initial expenditures for the construction of the Tengiz- Novorossiysk oil pipeline estimated at $400 million should be the condition for Chevron joining the CPC.

The source also said that if Chevron joins the project, it could be launched in a year.

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The cost of the Tengiz-Novorossiysk pipeline which is to transport for export 7-million tons of oil, is estimated by experts at $1.2 billion.

Lithuania 'Stifling' Kaliningrad's Economy

MM3110165194 Moscow IZVESTIYA in Russian 28 Oct 94 p 2

[Article by Gennadiy Charodeyev: "Normal Heroes Always Go the Long Way Round. Russia Seeks Alternative Ways To Deliver Freight to Kaliningrad Oblast"]

[FBIS Translated Text] "There are no substantial disagreements in relations between Vilnius and Moscow," President Algirdas Brazauskas of Lithuania assured journalists in Paris.

The president is convinced that bilateral and regional cooperation will soon enable his country to "achieve the ultimate goals of Lithuania's European foreign policy." To all appearances, many people in Russia perceived the Lithuanian leader's words as a joke.

Representatives of the Russian Maritime Transport Department generally believe that the people who write Mr. Brazauskas' speeches are doing everything possible to prevent him from finding out what serious problems have become imminent in relations between the two countries. Take, for example, the exacerbated situation with regard to the Russian commercial seaport in Kaliningrad. At the beginning of July the Lithuanian railroads established a rigid procedure for levying so-called carriage payments. Hence it is considerably more expensive to bring export freight to the Russian port of Kaliningrad than to the Lithuanian port of Klaipeda. For example, Russians have to pay 8 Swiss francs for the transit of one ton of freight for Kaliningrad (a distance of 232 km) and 2.67 francs for Klaipeda (a distance of 423 km).

The administration of the port of Kaliningrad and the port's leadership are doing everything possible to reduce their own tariffs to a minimum, but this does not compensate for the Lithuanian railroads' discriminatory tariffs. Freight owners are obliged either to switch from the port of Kaliningrad to Klaipeda and other Baltic ports or to stop exporting freight altogether owing to economic inexpediency.

Russian port workers believe that Vilnius is deliberately trying to discriminate against Kaliningrad so as to entice the most important exporters from CIS countries to Baltic ports. As a result, 27,000 tons of ferrous metals were accepted through the port of Kaliningrad in August 1994, and 300,000 tons through the port of Klaipeda, the corresponding figures for September being 23,000 and 357,000 tons. By the end of October Russia's overall losses totaled tens of millions of dollars. These figures are increasing daily.

Port business today is very lucrative throughout the world. On the whole, the Russian fleet transports over 10 percent of all Russian freight. Much of this passes through Lithuania, Latvia, and Estonia. Payments for carriage of Russian freight alone across their territories represent the chief source of currency receipts in these republics' budgets. Hence the Lithuanians' direct interest in stifling the Russian port economy in Kaliningrad and saving their own in Klaipeda.

Under the Convention on Transit Trade Within Continental States, all states must be granted unlimited right of access to their territory surrounded by another state's territory. Transit traffic is not subject to customs duties and taxes. States are obliged to take all measures to avoid delays or restrictions in transit traffic. The convention permits the establishment of monetary imposts, but they must correspond at most to the expenditure that they are intended to cover.

IZVESTIYA was told at the Maritime Transport Department that all attempts by Russian port workers, exporters, and forwarding agents to obtain rebates equivalent with those in the port of Klaipeda have not been crowned with success. The Lithuanians are continuing to pump money from Russia.

At the end of August the government of the Lithuanian Republic made changes to the terms for transit shipments of nonferrous metals and their alloys and scrap, as well as ferroalloys. In accordance with these changes, freight must be shipped only in closed cars or containers accompanied by a militarized guard. This decision almost halves exports of nonferrous metals through the port of Kaliningrad, since a considerable proportion of them is carried in gondola cars (slabs which, because of their size, cannot be loaded into closed cars). As a result, 38 percent of the total quantity of nonferrous metals arrived in the port in gondola cars in August.

Such actions by Lithuania damage not only the interests of the port of Kaliningrad but also the interests of other Russian ports of the northwestern basin—which ultimately leads to an outflow of currency funds from Russia. This seems to have been realized in the Kremlin and in the government offices of the White House.

The editorial office has learned that the Russian Security Council has adopted a decision to prepare a draft of a special Russian presidential edict aimed at the oblast's effective socioeconomic development and at ensuring the country's interests in that region.

In addition, it has been decided to do everything possible to restore normal transport communication between Kaliningrad Oblast and the Russian "mainland." A ferry link will be inaugurated this year between St. Petersburg and Baltiysk (two ferries are soon to arrive from Sakhalin).

Work is being carried out to develop ports on the coast of Kaliningrad and Leningrad Oblasts, particularly within the framework of the federal program "Revival of the Russian Fleet."

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A project for the construction of a new railroad branch line from Russia across Poland and Belorussia [Belarus] to Kaliningrad Oblast—bypassing Lithuanian territory—already exists, albeit on paper.

If the Lithuanians refuse to repeal their decision, Moscow will introduce a system of protective tariffs for Russian export freight proceeding to the port of Klaipeda and to ports of other Baltic countries.

Experts in Moscow also deem it expedient to link the question of Russian transit with the granting of most-favored-nation status to Lithuania.

The Russian Government intends to hold talks with the Lithuanian side on lifting the discriminatory measures aimed at limiting freight shipments across the republic's territory to the port of Kaliningrad.

"It is planned to hold the next round of the talks with Lithuania in Kaliningrad," a high-ranking spokesman for the Russian Ministry of Foreign Affairs said in an interview with IZVESTIYA. "There, on the spot, we would discuss the situation with regard to the Russian port. Vilnius, however, has not yet named a specific date for starting the talks."

Russian Negotiator on Troop Pullout from Latvia

LD3110171894 Moscow INTERFAX in English 1534 GMT 31 Oct 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] President Boris Yeltsin issued orders to suspend the withdrawal of Russian troops from Latvia on two occasions, but the Defense Ministry did not comply with them, the chief Russian negotiator at the talks with Latvia Sergey Zotov told Interfax on Monday.

It's common knowledge that the withdrawal of Russian troops from Latvia was concluded on August 31 this year.

According to the high-ranking diplomat, the Russian president issued his first order to suspend troop withdrawal in October, 1992, in connection with Riga's unwillingness to start discussing social security for Russian military retirees living in Latvia.

"Nevertheless, in contravention of state discipline, the withdrawal of troops continued," the diplomat stressed.

A similar situation developed in April, 1993, when Boris Yeltsin again gave orders to suspend troop withdrawal, when Latvia's parliament had tried to deprive not only all Russian servicemen, but also military retirees and their families of residence permits, Zotov said.

As he noted, this is one of the examples illustrating the activity of "some departments", which tried to pursue their own policy during the Russian-Latvian talks, disengaging themselves from the presidential and governmental directives given to the delegation. "This could not fail to be detrimental to Russian positions at the talks with Latvia," he pointed out.

Zotov dwelled in detail on the importance of the decision to ratify the Russian-Latvian treaty on the terms, times and procedure of the full withdrawal of Russian armed forces from Latvia, and the agreement on social guarantees for Russian military retirees and their families living in Latvia. That decision was taken by the State Duma on Friday.

"When it honored its commitment concerning the ratification of agreements, Russia snatched trump cards from the hands of those circles in Latvia, which persist in abusing the documents and threaten to hinder their ratification when Latvia's parliament considers them once again," he stressed.

Latvia's parliament ratified the agreements at first reading. There are plans to have three readings on this issue.

According to the diplomat, "if the Latvian side approves the agreements at second reading too, Russia will be ready to submit them to its Federation Council."

"The further course of the ratification process will be synchronized," he explained. "After their endorsement by the Federation Council the agreements will, as we hope, be approved by Latvia's parliament at third reading. The bill on ratification can be sent to the Russian president to be signed only after that."

So, the diplomat said, Russia still has an opportunity to see how Latvia honors its commitments, primarily the ones that concern guarantees for the social, housing and property rights of 22,320 military retirees and over 63,000 members of their families.

In fact the agreement on troop withdrawal, particularly its preamble, poses the only political foundation for relations between Russia and Latvia, Zotov pointed out.

"The preamble states the two sides' intentions to develop positive aspects in the legacy of Russian-Latvian relations and discount the negative consequences of their common history. Therefore we proceed from the assumption that the treaty will put an end to all speculations as to the occupation of Latvia by the former USSR in 1940," the diplomat stressed.

According to him, the treaty's ratification by Latvia will serve as a "kind of confirmation of its desire to further relations with Russia."

"In answer to this we'll express readiness to continue our dialogue and go on with our work on the intergovernmental agreements and accords still lying on the negotiating table," the diplomat said. "12 documents are already ready to be signed, and about 10 documents are being drafted," he noted.

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As Zotov said, Moscow's attitude will depend largely on the changes Riga will make to its law on citizenship, which "in our view was and still is discriminatory."

"We expect," the diplomat said, "that our appeals to the world community will find some response in Latvia after all."

"Nevertheless Russia will not shut its eyes to Latvia's violations of international norms in the area of human rights, with all the ensuing consequences for our interstate relations," he warned.

Joint Control Commission To Discuss Abkhazia Situation

LD3110212194 Moscow INTERFAX in English 1931 GMT 31 Oct 94

[FBIS Transcribed Text] Delegations of Russia, Georgia, North and South Ossetia and the CSCE discussed a peace settlement for the Georgian-Abkhaz conflict in Moscow today, the Russian Foreign Ministry told Interfax.

The delegations decided to renew the work of the joint control commission for coordinating efforts to normalize the situation in the region. The commission will be permanent and will unite the four parties participating in the settlement of the conflict.

U.S. Said To Regard Russia as Foreign Policy Rival

MM0111112994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 1 Nov 94 p 5

[Article by correspondent Stanislav Kucher: "Are the States Putting Us in Our Place?"]

[FBIS Translated Text] Two years ago, in conversation with your correspondent, the political scientist and anti-Soviet Zbigniew Brzezinski, argued roughly as follows: The United States, by virtue of the special characteristics of its historical development, has to play the role of a kind of "world referee," a defender of democracy, a guardian of universal order.

At that time, against the backdrop of the failure of the Russian foreign policy doctrine, when Kozyrev's Foreign Policy Department was making one concession after another, such statements meant one thing: Henceforth America was to regard Russia as a potential sphere of influence.

But time has passed, Russia has recovered somewhat from the convulsions of the first post-perestroyka years and has come to understand—at the level of Yeltsin and Kozyrev—that surrendering one's positions in the international arena (including in the countries of the former USSR) to "sworn friends" like the States is not in the interests of democracy or reform.

Russia's new foreign policy doctrine, a phemonenon of the last 18 months, clearly does not fit with America's present-day ambitions. Three events occurred last week which show very eloquently that **henceforth the United States will again regard us above all as a rival whose growth and influence must be obstructed by every effort.**

On 25 October, during his tour of the Near East, U.S. President Bill Clinton emotionally stated: It is the United States, and not any third countries (meaning, of course, Russia), which is to play the role of "chief peacemaker" in the region.

On 26 October, on the eve of and during discussion in the United Nations of the resolution on lifting the American economic blockade of Cuba, only the States and Israel voted against the actual examination of such a question. At the same time a strange rebuke was directed against the Russian side: Cuba is a long way from you and you, Russians, should keep absolutely silent.

But the most blatant, humiliating, and arrogant statement regarding Russia was made last week by a woman who plays not the least important role in American foreign policy. During a speech to cadets of the naval college in the city of Newport Madeleine Albright, U.S. permanent representative at the United Nations, boldly stated: "Russia's national interests must not extend beyond its borders." Short and sweet, as it were. Russians, in Albright's opinion, should not only not be concerned by what happens, say, in Cuba, where billions of dollars have been invested, but even by what happens in the immediate vicinity of Russia's borders: in Ukraine, Kazakhstan, or Tajikistan, let alone in the Baltic.

Such a "turnaround" in the U.S. attitude toward Russia is both galling and gratifying at the same time. Galling, because it has been made plain to us for the umpteenth time that our hopes of foreign policy and, ultimately, also fruitful economic partnership with America were and remain illusory.

On the other hand, our "friends" would not make such harsh and peremptory statements if they did not feel Russia to be a dangerous competitor. And if America has started to be a little afraid of us, it means that we already are actually of some import.

Council of Europe To Send Rights Verification Team

MM3110142394 Moscow PRAVDA in Russian 29 Oct 94 p 3

[Untitled, unattributed report under "In Brief" rubric]

[FBIS Translated Text] The Council of Europe will send a delegation to Russia next week to check on whether the human rights situation in the country is improving.

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Political Issues

Aftermath of No-Confidence Vote Assessed

MM3110150194 Moscow KRASNAYA ZVEZDA in Russian 29 Oct 94 p 2

[Article by Aleksandr Golts under the "Topic of the Week" rubric: "Is the Government Doomed? Yes. But To What Is It Doomed?"]

[FBIS Translated Text] Menacing words about the government crisis and the imminent fall of Chernomyrdin's cabinet were spoken all this week. Parliamentary faction leaders diligently strung together sundry charges against The Kremlin, threatening it with possible withdrawal of support. Analysts discussed possible replacements of the incumbent ministers. Not even the premier ruled out changes in the cabinet's composition. And even the president, judging by the Duma speaker's statement, had already prepared a three-page list of potential ministerial candidates.

But there was no government resignation. The no-confidence motion failed to garner the requisite number of votes. This was certainly not due to the existence of any strong progovernment grouping in parliament. This entire hullabaloo about a possible resignation was reminiscent of Zhvanetskiy's old comedy sketch. Of the fact that our actors proved incapable of delivering certain lines and coping with certain situations. Of the fact that they simply could not deliver the lines "I must go to Paris on business" (this poses no problem nowadays). So today, even if the sacred words "There is such a party..." had been actually uttered in our parliament Thursday [27 October], they would have sounded rather unconvincing. And not only to the audience but even to him who might have uttered them.

It is certainly nothing to do with kindness suddenly descending upon Russian politicians, whether right-wingers, left-wingers, centrists, or extremists. Or that they may have suddenly ceased struggling for power for the sake of the country's prosperity. The simple reason is that the economic and political situation in Russia is such that there is simply no realistic alternative to the government's current course. Please note that, when criticizing Chernomyrdin's cabinet, the most farsighted politicians are focusing on details, important ones but details nevertheless: specific features of financial and currency policy, alternative methods of privatization, amendments in the taxation sphere.

Nobody is even attempting to elaborate some sort of comprehensive alternative course. Boris Fedorov's brilliant speeches certainly appear to be the quintessence of this approach. He says some very sensible things about the country's blatant social problems, about the unregulated wild stock market, and about much else besides. But let me ask, what prevented Mr. Fedorov from resolving these problems while he was minister of finance? Could it have been something amazingly inconvenient, like the real state of affairs?

Reality—this is the state of industry which needs not only structural restructuring but also decisive modernization. Reality—this is the lack of funds for its restructuring and modernization (neither foreign nor our own investors seem to be in any hurry). Reality—this is the neglected social sphere, the vast group of state employees including the military, and the state's downright inability to meet its commitments to them. After all, taxes are the main source of cash revenue. And taxes are running at such rates that it is less risky not to pay them rather than to pay them. If you do not pay—you will, at worst, spend time in jail. If you do pay—you will be ruined and the godfathers will send their hired hands in.

Tell me now, are there any ready-made "fateful" solutions which could quickly change the situation for the better? I suspect not. Russia's government is doomed. No, not Viktor Chernomyrdin's cabinet, but any government of Russia (provided, of course, that it does not set itself the goal of imposing dictatorship and reviving the GULAG) is doomed to pursue approximately the same course that is being pursued now.

The nature of this course can be seen from the budget submitted to the Federal Assembly. Any government would be doomed, just like the present one, to curb the budget deficit. It is perfectly easy to understand its desire to reject the emission of unsecured money and to cover the difference between revenue and expenditure—which should reach 77 trillion rubles—through new state securities, taxes, and international credits. But, as Russian practice proves, it is far from certain that you will be able to gather the taxes and receive the estimated funds from privatization. Therefore, the struggle against the deficit will yet again be reduced mainly to attempts to sharply reduce all payments from the state budget. Therefore, the threat of total ruin will hang over the economy's state-owned sector. And all whose salaries are paid from the budget will, according to Finance Ministry functionaries, "have to tighten their belts." Let me note that this applies to those whose pants are not already hanging from their backbone.

Therefore, I suspect that this government, just like any other, will be forced by the threat of social protest to resort to anything and everything and will still issue credits. And not just to fast-recoupment high-efficiency production units, as it is being proclaimed now. After all, elections are almost around the corner. What lies in store for us, realistically speaking, is not any impetuous economic growth but the depression which inevitably follows any slump. In these conditions, any authority would have to perform a tightrope balancing act between hyperinflation and social shocks. There are, alas, no miraculous means to achieve fast and joyful recovery. The most this government is capable of doing is to create at least a few prerequisites for an industrial boost.

Let me, at this point, take the liberty of saying a few words about the problems of the Armed Forces, which

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have again been actively discussed by the public recently. The Ministry of Defense is yet again being reproached for what the critics see as the inadequate combat readiness of troops, for the truly savage social conditions in which thousands of servicemen have found themselves and for its unwillingness to promote reforms. It is being reproached for almost everything! But it is also necessary to honestly say this as well: No reform of the Army would be possible if it is planned to appropriate for it only 40 percent of the funds it needs, and if the actual appropriations are only one-half of what had been planned. In these conditions the Ministry of Defense will be doomed to worry about patching up holes and maintaining a certain minimum level for servicemen's survival. In other words, doing exactly what the entire government is doomed to do on a Russia-wide scale.

This is why the opponents of the incumbent authority are in no hurry to launch any serious attack against government structures. It is much more convenient, at this precise moment in time, to express concern for the unfortunate people from the opposition benches, accumulating political capital for the upcoming elections. And the government—let me repeat, any government—will be doomed to do exactly, or almost exactly, what the present government is doing. I am not sure that this will bring any joy to anyone, but this is the reality.

Yerin Visits Chelyabinsk, Fields Awkward Question

MM3110141794 Moscow PRAVDA in Russian 29 Oct 94 p 1

[Report by nonstaff correspondent Anatoliy Belozertsev: "Yerin Not Tormented by His Conscience"]

[FBIS Translated Text] Chelyabinsk—During a recent visit by General Yerin, minister of internal affairs, the people of Chelyabinsk once again saw for themselves that the leadership of Russia has been joined by still more shameless and lordly officials than those who ruled us before. He was greeted at the airport and escorted through the city by a motorcade with a mighty roar of engines such as grandees did not dream of even during the times of stagnation. The streets and avenues were closed several minutes before the lofty guest appeared, and the weary hero of Russia rested in the same oblast party committee rooms in which Chernenko and Co. rested in their time. At the end of his two-day stay the minister allowed representatives of the press to meet with him in the Oblast Internal Affairs Administration building.

PRAVDA's correspondent also got to participate in that news conference and even asked a question which had long been troubling him:

"Viktor Fedorovich! I wish to ask you something as a person and a citizen. You took a very direct part in the shooting up of the House of Soviets. I am interested in your assessment of those events today, one year on."

The power minister did not move a muscle. He is probably used to this. He declared quite firmly and decisively:

"Last October we acted in keeping with the events that were happening. What is my attitude to them today? The same as it was a year ago, and my conscience is clear. I regret nothing and do not reproach myself...."

Just so. I had naively thought that the minister would not be able to rest because of the cutting short of the hundreds and maybe thousands of lives of totally innocent people—women, old people, teenagers. But this does not torment him at all.

Replacement of Khlystun by Nazarchuk Deplored

MM3110162994 Moscow IZVESTIYA in Russian 29 Oct 94 p 2

[Article by Valeriy Konovalov: "The President Has Surrendered the Countryside to the Agrarian Party"]

[FBIS Translated Text] It is best to assess a minister after his resignation. It is clear now that Russian agriculture was lucky with Viktor Khlystun, now the former minister. One of the government's old-timers, he came to top officialdom from science and brought with him to this department a cultured and civilized approach which had been lacking here before. Khlystun was able to champion the rural reforms without scandals or political ballyhoo and to find a common language with the opposite camps of agrarian specialists, and he saw to it that private farming became an appreciable new structure in the country. He did not belong to any parties or teams.

To all appearances, this is precisely why they changed him, making a concession to the opposition. The president released Khlystun from his ministerial duties at the latter's request, but it is perfectly obvious that that request was dictated by a decision from above to compromise. Khlystun did not resist or make a show of his resignation. This is his style. Maybe it seems to Yeltsin and his team that a good move has been made—a minister has been surrendered who is not the most significant for the presidential game. But it is a great loss for the agrarian reform, which also determines a very great deal in the overall course of the reforms. The consequences could be very serious.

Aleksandr Grigoryevich Nazarchuk, the new minister, is a quite definite figure. He is an overt lobbyist. Until recently he was working as chairman of the Duma Agrarian Committee, and he remained chairman of the Altay Agro-Industrial Union on a voluntary basis. His views and positions are well known. He himself defined them as follows on the eve of his appointment: "The Ministry of Agriculture and Food defends the peasantry's interests badly. I personally have no complaints about Minister V.N. Khlystun. He is a profoundly decent, competent person. But I have said to him several times: 'Why do you, Viktor Nikolayevich, assume the role of the minister of finance: There is said to be no

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money in the country. You have a package of documents which govern relations between the Ministry of Finance and the agro-industrial complex. Demand their fulfillment.'"

This could mean that Nazarchuk, unlike Khlystun, does not intend to think along state lines but will proceed only from the interests of his own sector. There is already such a defender of the countryside in the Council of Ministers—Vice Premier Aleksandr Zaveryukha. Until recently his lobbyist pressure was balanced in the government by the realistic stance of Khlystun, who proved that it is better not to demand money which does not exist but to seek the introduction of new mechanisms and laws advantageous to the countryside. Now one more representative of the Agrarian Party, a champion of increasing financial transfusions into the countryside, has appeared in the government.

Here, by the way, a curious internal party clash arises. Recently Zaveryukha has parted company sharply with Mikhail Lapshin, chairman of his party, and has even stated the need to create a new, more correct agrarian party. But the vice premier continues to command authority with the agrarian specialists, since he was, of course, an incomparably greater lobbyist than Khlystun. Now there is someone in the government with far greater links with kolkhoz-lobbyist circles, and Zaveryukha's position might be severely shaken, for he has no serious support apart from oringinating from the same region as the premier.

As for the new minister, his biography can be perfectly eloquent in characterizing him. He was born in 1939. He began his labor activity as inspector-organizer of a rayon kolkhoz-sovkhoz administration in Altay Kray, and then he was an agronomist, a director of sovkhozes, first secretary of rayon party committees, and leader of the kray agrarian department. He became a deputy for the Agrarian Party. Seemingly, a perfectly clear political and economic identity.

But account must also be taken of our new tradition of reorienting political figures in connection with changing their posts. How many instances have there already been where someone vehemently opposed to reforms has become their fanatical advocate on finding himself in the other camp? For the present speaker of the State Duma also became a deputy for the Agrarian Party, but who today would suspect him of agrarian lobbyism?

These, however, are possible consequences. But the fact remains that the president has replaced a reforming minister with a lobbying minister.

Draft TV, Radio Law's Main Provisions Summarized

MM0111113394 Moscow IZVESTIYA in Russian 28 Oct 94 p 9

[Report by Viktor Davydov: "New Law—New Television?"]

[FBIS Translated Text] The draft Law on Television and Radio Broadcasting, prepared by the Union of Journalists, the Foundation for the Protection of Glasnost, and the Duma Subcommittee for Television and Radio Broadcasting, was given its first reading in the State Duma Wednesday [26 October]. A total of three drafts was submitted for consideration—the aforementioned, S. Baburin's draft, and the FSTR [expansion unknown] draft.

In his law Baburin wanted to create a state oversight council (the same idea was put forward by the Supreme Soviet), which would have the power to impose pretty tough censorship restrictions.

The FSTR proposed granting television leadership powers to local as well as federal organs.

The draft we are concerned with now proposes drawing on civilized, in particular French, experience and creating a single state organ which will issue broadcasting licences, while specifying certain antimonopoly guarantees. The main provisions of the draft are as follows: At least two-thirds of airtime will go to Russian television and radio program makers; with the introduction of a charge for watching television channels, it determines the minimum—one all-Russian channel and one regional—which the viewer is entitled to get from the state budget; state control of television and radio is effectively lifted, except in some cases—information on elections, broadcasting of advertising and erotic programs, transmission of teletext, and broadcasting of court decisions.

Gorbachev Argues for Early Elections

MM3110130594 Moscow RABOCHAYA TRIBUNA in Russian 28 Oct 94 pp 1, 2

["Open Letter to the Mass Media" by Mikhail Gorbachev dated 26 October 1994: "Mikhail Gorbachev Sees Early Elections at All Levels as the Solution to the Crisis"]

[FBIS Translated Text] I address you in exercise of my right and my duty as the person who launched the democratic reforms 10 years ago.

Russia is going through very difficult times. Life is tough for millions of Russians, and they are tormented by a sense of hopelessness. The safety of citizens, and the state system itself are under threat. Unfortunately, many people think that democracy is to blame for all this. You increasingly hear democracy damned and dictatorship urged.

But, you know, everything that is happening to us today and all the misfortunes which assail us one after another are all the result of the lack of rootedness of democratic values in society, /the authorities' bringing of discredit upon themselves and their break with the principles of democracy/. Decisions which are vitally important for the country and every citizen have been and continue to

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be made behind the people's back. That is how the Soviet Union was eliminated. That is how the "shock therapy" decision, a decision which thrust half the population below the poverty line, was made. That is how—behind the people's back—the parliament elected at the first free elections in Russia was dismissed. And ultimately this led to the bloody events of 3-4 October 1993.

The hasty elections and referendum on the Constitution were made in just the same way, behind the people's back, without serious discussion.

The omnipotence of the bureaucratic apparatus has become a fact of life. Even at local level power is created from above and is virtually out of the population's control. Policy is again being made behind closed doors. Essentially, the old principles of mangement of the country, combatting which was the main aim of perestroyka, are being revived.

Bureacratic misrule in combination with rapacious privatization, the stealing of public assets, and the brazen orgy of crime—all these are the consequences of the present regime's political course. And, since they have no intention of altering this course, the destruction of scientific and technical potential, the degradation of the country's industry and agriculture and the further decline of healthcare, education, and culture—the undermining of the very bases of the existence of society—lie in store for us.

Continuation of the present political course can only increase the social base for revenge, revive former social-cum-class conflicts and create new ones, and ultimately set society back a long way. The country is objectively being edged toward the turmoil of military-political coups and a protracted period of social vegetation and decay.

The latest events connected with with crash of the ruble, the new rise in prices, and inflation have clearly exposed the ruling regime's inability to correct its misguided course.

It is time we realized the threat looming over our future: We have again fallen into the vicious circle of lawlessness and violence.

We cannot allow our society to be again paralyzed by fear and frozen into apathy, it would be crushed by immorality and spiritual emptiness.

All spheres of our social and state life are in acute need of the most rapid restoration to health. But it is impossible to render our life healthy without democratic power based on the **trust** and the **support** of the majority of citizens of Russia.

An authoritarian regime can, like a habit-forming [privychnyy] drug, offer temporary relief, but you cannot build or even preserve a Russia of the 21st Century that way. Only democracy is capable of fortifying young Russian statehood.

Today we are determining our life for many years ahead. The way we emerge from our present trials will determine the way we act in the future. A time of crisis is always a time of choice—a choice in earnest and for the long term.

If we are to restore life in our country to normality we must have the following, above all:

—strict observance of the Russian Federation Constitution. The example must be set by the top officials.

—the immediate renewal of the Constitutional Court's activity; firm guarantees of the independence of the judicial system;

—enhancement of the status of the Federal Assembly and representative organs at local level in accordance with the principle of the separation of powers;

—reliable protection of the safety and rights of citizens, and the replacement of top officials incapable of waging an effective fight against crime and ensuring firm public order;

—prevention of the use of the organs of justice and the power structures for political ends;

—an uncompromising and public fight against corruption, the people in power must have clean hands;

—elimination of ideological censorship in the mass media, particularly on television and radio;

The present regime is simply incapable of this.

I see the **prompt** holding of **free** democratic elections of the president, parliament, and local authorities as a crucial step toward establishing democratic rule. Only then will the authorities in Russia be able to become really strong and authoritative and be able consistently to pursue an open, predictable policy in the interests of all the people;

Such authorities would be able to tackle with confidence the tasks that are vital for Russia's future:

—ensuring civil peace and social partnership on the basis of a new realistic policy;

—building up confidence and collaboration between the center and the regions on the basis of a clear distribution of powers and preventing the country's disintegration;

—promoting integration among the former republics of the USSR by action rather than mere words—to the point of forming a confederal union based on equal rights and mutual benefit

—pursuing a balanced, effective, and predictable international policy worthy of a great power in every area.

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It will be very difficult to restore people's faith in a sound and just democratic power. Too much has been lost and compromised. But without that faith there will be no revival of Russia.

The work that lies ahead is huge, and time is very tight—at most a year to 18 months. I therefore propose that **public committees for free elections in Russia** be created at the center and at local level. Their creation will be an important step in the struggle for a democratic alternative to both the present regime and the attempts of the fundamentalists and the nationalists to return the country to totalitarianism.

The committees set up by citizens will be able to oppose breaches of the Constitution and promote the creation of reliable guarantees of normal parliamentary and presidential elections, an honest election campaign, and computation of the results of voting which is open and under democratic supervisions.

My appeal is dictated by a sense of responsibility as a human being and a citizen and by the deep conviction that to save democracy is also to save Russia.

Economic Issues

Federal Budget Draft for 1995 Outlined

MM3110155594 Moscow ROSSIYSKAYA GAZETA in Russian 29 Oct 94 p 2

[Abridged version of the 1995 draft federal budget published in abbreviated form: "1995 Draft Federal Budget. Russia's Economic Strategy"]

[FBIS Translated Text] The Russian Federation Ministry of Finance has prepared a draft federal budget for the coming year. The Russian Federation Government has received and examined the draft and passed it on to parliament. Premier Viktor Chernomyrdin reported on the draft budget to the State Duma 27 October.

The Finance Ministry document says that the budget indicators are linked with the forecast for the Russian Federation's socioeconomic development and were drawn up with measures to stabilize the economy in mind. The classification of revenue and expenditure provides an opportunity for international comparison of budget data.

Main Proposals for Changes to the Tax System

The main purpose of the present tax reform is to strengthen the Russian budget and, consequently, to strengthen the state. It is intended that the tax burden will be reduced in Russia and the whole system simplified by abolishing ineffective taxes and payments into extrabudgetary funds. That is the first point. Second, it is planned to broaden the tax base by abolishing a number of tax concessions. Third, the number of taxpayers and the range of taxable income are to be broadened. Fourth, a gradual shift in the tax burden is anticipated away from enterprises to personal taxation. Last, monitoring of compliance with tax legislation will be stepped up. Time will tell whether these rough outlines are put into practice.

In the course of tax reform in Russia it is intended to abolish the following federal taxes: the tax on the use of the name "Russia," exchange tax, stamp duty, tax on operations involving securities (insofar as the secondary market in securities is concerned, replacing this tax with a state duty on the registration of a new-issue prospectus), the timber duty, and the special tax on the upkeep of the most important sectors of the national economy. It is planned to establish a list of around 10 named regional and local taxes in federal legislation (there were around 60 of them) and to give regional and local authorities the right to increase the rates.

The large number and volume of extrabudgetary funds represent a major shortcoming in the budget and tax system. And expenditure of budget resources is not adequately monitored. In this connection it is proposed to establish the rule that all extrabudgetary funds and sources of funds are formed solely in accordance with legislative procedure.

In terms of federal taxes it is planned to retain the current rate of profit tax (38 percent), to raise the prescribed level of the wages fund from six to eight minimum wages as of 1 January 1995, and to abolish the tax as of next year for enterprises owned by foreigners and for foreign firms' permanent missions. This tax could be abolished for all other taxpayers as of 1996.

As for income tax, the government has decided to ease taxation on citizens with low incomes, to raise the tax pressure somewhat on categories of citizens on medium earnings, who form the bulk of taxpayers, and considerably to increase taxation for citizens with high levels of income. The minimum rate of taxation for citizens on low incomes will remain at the current level of 12 percent. It will be 35 percent for people on super-high incomes.

The Russian Revenue Scenario

Federal budget income in 1995 has been determined on the basis of the scenarios for the country's economic development this year and the situation pertaining to the collection of tax payments, and also mindful of the changes being made to tax legislation.

Total federal budget income in 1994 is predicted to be 131.8 trillion rubles [R]. The relative growth in predicted federal budget revenue (as a percentage of GDP) in 1995 is linked primarily to an increase in the "tax take" and the abolition of tax exemptions for import-export operations.

Federal budget revenue represents 48.5 percent of the total Russian Federation budget system's revenue and 47.7 percent if you include the proposed changes to tax legislation. Profit tax, value-added tax, excise duties,

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revenue from foreign economic activity, and resource payments [resursnyye platezhi] remain the main sources of federal budget revenue.

Value-added tax. Value-added tax represents over 30 percent of the structure of federal budget revenue.

Under current tax legislation conditions, and allowing for all value-added tax on imported goods to be paid into the federal budget and for the rate of payments into Russian Federation components' budgets to be maintained at the 1994 level, value-added tax receipts in 1995 are estimated at R38.80 trillion (4.2 percent of GDP).

At the same time, within the framework of the implementation of Russian Federation Presidential Edict No. 1004 of 23 May 1994 "On Certain Questions of Tax Policy," it has been proposed that the number of tax concessions should be reduced, enabling value-added tax receipts to be raised to R45.2 trillion.

By way of proposals to improve the value-added tax collection procedure it is suggested that:

—a 10-percent rate be established solely for vital foodstuffs;

—a 20-percent rate be introduced for children's goods, previously taxed at 10 percent;

—value-added tax concessions on housing construction be abolished;

—a unified procedure be established for the taxation of imported and Russian foods.

It is proposed, in addition, to abolish the special tax raised to provide financial support to sectors of the national economy, so the draft federal budget makes no provision for collecting this tax.

Excise duties. Receipts from excise duties on spirits, vodka, and liqueurs and vodkas, which accounted for around 60 percent of total anticipated receipts of these taxes in 1994, represent the bulk of the excise duties on consumer goods.

Mindful of the main trends in production development and the rate of inflation forecast for 1995, revenue from excise duties on consumer goods is forecast at R4.2 trillion, of which revenue from excise duties on vodka, liqueurs and vodkas, and spirits is projected to be R2.5 trillion. The estimates took into account the reinstatement of the state monopoly on alcohol production, storage, and wholesale and retail sales.

When calculating excise duties on automobiles in 1995 under current tax legislation, individual rates of excise duty applied in 1994 are taken into consideration—0.1 percent on Izhevsk plant automobiles, R350,000 per Moskvich, and 10 percent on VAZ and GAZ [Volga and Gorkiy Automobile Plants] automobiles.

Within the framework of the changes being made to tax legislation it is proposed to abolish federal budget collection of excise duty on trucks while at the same time increasing rates of excise duty on automobile gasoline and setting a rate of 5 percent on automobiles. And it is also proposed to introduce the offsetting method [zachetnyy metod] of paying excise duty when commodities liable to excise duty are used in the production of other output liable to duty (for instance, spirit for vodka production).

Excise duties on certain categories of mineral raw materials in 1995 have been set at R4.596 trillion, which represents 52.2 percent of the total excise duty paid into the federal budget.

Profit tax. Profit tax accounts for a considerable proportion of federal budget revenue, standing at 18.2 percent of federal budget revenue.

The above sum has been determined on the basis of forecast profits of R203.0 trillion in 1995.

In connection with the rise in the value of capital investment and the prevailing trend in 1994 for enterprises to increase the use of their own funds to expand and develop production, the proportion of concessionary profit [lgotiruyemaya pribyl] used for this purpose is forecast to be in the order of 11.5 percent.

What is more, account has been taken of the reduction in enterprises' spending on the upkeep of sociocultural facilities, housing, and utilities linked with the continuing process of transferring a considerable proportion of these facilities to the jurisdiction of Russian Federation components' organs of state power. Concessions granted in respect of profit tax by way of compensation for expenditure incurred are expected to drop in 1995 to 2.2 percent of taxable profit (as opposed to 3.7 percent in 1994). This will provide additional profit tax revenue of R372.5 billion.

Revenue from tax on excess spending on salaries takes account of a further expected increase in the minimum wage and a concomitant increase in prescribed wage levels incorporated in prime cost for tax purposes.

Mindful of factors which affect the levels of taxable profits, their forecast growth as opposed to the anticipated growth, and the maintenance of a federal rate of tax of 13 percent, profit tax is expected to fall to 2.6 percent of GDP in 1995 as opposed to the anticipated 2.9 percent in 1994.

The proposed increase in the minimum wage multiple from six to eight, incorporated in prime cost for taxation purposes, will result in an estimated drop in profits tax revenue of around R2 trillion.

Personal income tax. In accordance with current procedure in 1994 personal income tax is paid in full into the budgets of Federation components.

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The raising of the citizens' tax threshold will result in a decline in budget tax receipts from people on low incomes, which it is proposed to recoup by increasing the top rate for people on high incomes. Under the proposals for amendments to the Russian Federation's tax legislation a proportion of personal income tax at the prescribed rates is to be paid into the federal budget.

Taking the above proposals into account, income tax raised from citizens in 1995 as a whole is estimated at R25.4 trillion, R4.1 trillion of which is to be directed into the federal budget as revenue.

Income from the sale of property belonging to the state and the use of state property. The Russian Federation presidential edict of 22 July 1994 "On the Basic Provisions of the State Program for the Privatization of State and Municipal Enterprises in the Russian Federation After 1 July 1994" ratified a program whereby the normative for the distribution of monies obtained from the sale of state property and payable into the federal budget was fixed at 10 percent.

In 1995 property valued as of 1 January 1994 at R15.9732 trillion is to be liable to mandatory privatization. It is proposed to sell shares with a face value of R8 trillion (around 50 percent of the shares in every enterprise on average) at specialized check auctions. On average the selling price of the shares exceeds the launch price by a factor of 6.6, so that the total revenue could reach R52.8 trillion, R5.280 trillion of which will be federal budget revenue in line with the approved rate.

Total revenue obtained from the sale of facilities in state ownership is estimated at R4.747 trillion. Budget proceeds obtained from the above source, applying an increased rate of 2.041 over and above the approved standard rate, is estimated at R950.0 billion.

Taking account of the increasing trends toward accumulating primary capital, directing earnings into the creation of new capacities and the retooling and modernization of enterprises, and also reducing the proportion of state ownership, in 1995 dividend income on shares belonging to the state is forecast to be R100 billion and fees for leasing state property R150 billion.

Tax on operations involving securities. In connection with the growth in the securities market in 1995 taxation on operations involving securities is forecast to total R635.0 billion, taking into account the expected issue of securities and purchase and sales turnover.

In line with the tax legislation proposals for the above tax to be abolished and replaced by a state duty on the registration of a new-issue prospectus, federal budget revenue is estimated at R120.0 billion.

Income from foreign economic activity. The draft federal budget for 1995 in terms of foreign economic activity was formulated on the basis of the need to further boost the effectiveness of foreign economic operations, reduce as far as possible the expenditure of centralized state currency receipts, and concentrate hard currency for making payments on foreign and domestic hard-currency debts and for the state's nontrade operations.

Federal budget receipts from import and export duties are the main source of revenue from foreign economic activity in 1995.

It is stipulated that in 1995 rates of customs duty will no longer be changed, because income from this source represents net hard-currency revenue for the state and the further liberalization of foreign economic activity should be implemented by reducing excise duties and reducing value-added taxation. Otherwise the revenue from import-export operations envisaged in the draft budget will have to be adjusted downward.

The 1994 federal budget provided for revenue from the centralized export of purpose-built assets [spetsimushchestvo] to have an efficiency ratio of 0.7. The forecast for 1995 keeps the average annual centralized export rate at the same level. The 1995 budget forecast determines spending on the purchase of purpose-built assets for centralized export based on existing contracts and agreements as well as those currently being coordinated and considered; it stands at R796 billion, or $248.75 million.

Given the above rate, state hard-currency cash revenue from sales of thess purpose-built assets for centralized export is estimated at $320.0 million or R1.0240 trillion.

Other hard-currency revenue from operations involving securities, extrabudgetary exports, and also from the repayment of budget loans issued previously under a Russian Federation Government decision is forecast at $220.0 million and [as published] R320.0 billion.

For 1995 as a whole the draft federal budget makes provision for receipts of R12.9508 trillion in national currency in proceeds from foreign economic activity and $2.240 billion in foreign currency, or R7,168.05 billion in ruble equivalent. Revenue from foreign economic activity will total R20.1188 trillion in 1995.

Spending Will Not Increase If We Learn To Economize

Spending next year has been set at R208.6 trillion. The need to boost the efficiency of national economy sectors, to pursue an economy drive, and to raise extrabudgetary sources was taken into consideration in drawing up the expenditure section of the budget.

Spending on state administration. Appropriations for the upkeep of federal legislative, executive, judicial, and prosecutor's office organs in 1995 has been set at R5.2204 trillion (minus the foreign apparatus), including R1.6757 trillion on judicial and prosecutor's office organs.

Spending of R2.2941 trillion to partially enact the "Statute on the State Service" ratified by the Russian presidential edict of 22 December 1993 and of R161.1 billion in respect of the Russian Federation Law "On State

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Secrets" was not taken into consideration when drawing up the draft federal budget for the upkeep of the above organs in 1995.

In connection with the compilation of a draft budget with new classifications, spending on state administration incorporates appropriations previously envisaged under other sections of the budget—spending on compiling a list of statistical surveys, on the upkeep of federal treasury organs, on federal archive establishments, etc.

Thus, with the above items included, total spending on state administration is set at R5.8509 trillion, with expenditure on the upkeep of judicial and prosecutor's office organs set at R1.6757 trillion (including expenditure of R135.6 billion on implementing the crime-fighting program).

With a view to reducing spending on state administration it is proposed to regulate the number of territorial federal executive organs and suspend the creation of new state administration bodies.

Spending on international activity. In 1995 the bulk of the spending structure is taken up by payments for implementing state nontrade operations, allocating funds in line with certain Russian Federation Government decisions, expenditure on servicing the domestic hard-currency debt, and purchases of commodities for centralized export with a view to covering the state's hard-currency expenditure to pay off the foreign debt and compensate foreign states for other Russian expenditure.

Centralized nontrade operations totaling $1.072 billion (R3.431 trillion ruble equivalent), or 10.7 percent down on 1994 are envisaged for Russian ministries, departments, and organizations in line with Russian Federation presidential and governmental decisions.

The expenditure section of the draft federal budget envisages the allocation of hard-currency appropriations for the implementation of top-priority payments to enterprises and organizations in accordance with certain Russian Federation Government decisions based on lists of hard-currency spending approved each month by the Russian Federation Government. This spending is set in the forecast at R1.1072 trillion, in other words it has been left at the 1994 level.

In addition, the draft federal budget provides funds to give financial support to enterprises engaged in reorganization and also to make targeted credit payments for the purchase of equipment and materials and for the development, introduction, and acquisition of state-of-the-art technologies, equipment, and materials. Including acquisition abroad. Support will be provided for enterprises in the form of repayable loans over a term not longer than the current financial year.

In drawing up the federal budget R55.5 billion has been provided for funding Russia's contributions to the upkeep of CIS interstate coordinating structures created by the CIS heads of government and R88.0 billion is allocated for the implementation of CIS joint scientific and technical programs.

National defense spending. National defense spending in the draft federal budget has been set at R45.2749 trillion, which represents 21.7 percent of total expenditure—0.7 percent up on that envisaged in 1994, including R1.0166 trillion rubles for the Russian Ministry of Atomic Energy's military spending.

The volume of spending on defense is fixed on the basis of the need for the current upkeep of the formations of all systems defending the state, appropriations for the purchase of arms and military hardware, research and development work associated with national defense, capital construction, spending on the maintenance of mobilization capacities, payment of servicemen's pensions, etc.

Industry, power generation, and construction. An amount of R6.5191 trillion in state support for basic sectors of industry is envisaged in 1995, the bulk of which—R6.3481 trillion—is accounted for by support for the coal and peat sectors of industry, including R531 billion in spending on rescuing or closing down unviable mines.

In order to ensure the normal functioning of social facilities and provide them with sources of funding during their transfer to municipal ownership it is intended to allocate R1.4022 trillion from the federal budget as opposed to R602 billion in 1994. The intention is to allocate R1.4138 trillion in federal budget funds or 1.2 times the amount allocated this year for the development of production.

In accordance with the main principles for rescuing unprofitable and particularly loss-making mines and pits in the Russian coal industry it is envisaged that R531 billion as opposed to this year's R305 billion will be channeled into carrying out the programs to close certain mines (pits), which include measures for the social protection of the population.

In connection with the ongoing process of military conversion the draft federal budget plans to provide financial support for industrial enterprises in the form of R915.5 billion in Conversion Budget Fund subsidies.

The Conversion Budget Fund subsidies envisaged in the draft budget represent an increase of R185.7 billion on 1994, while deliveries of military hardware and arms under the State Defense Order are cut back.

Basic Budget Indicators Taking Changes in Tax Legislation into Consideration

[Columns in the following table represent as follows: Column A—1994 Plan (trillion rubles); Column B—1994 Projected Figure (as a percentage of GDP); Column C—1995 Projected Figure (trillion rubles); Column D—1995 draft (as a percentage of GDP)]

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	A	B	C	D
Income	126.5	17.4	131.8	14.2
Expenditure	190.3	26.2	208.6	22.6
Deficit	63.8	8.8	76.8	8.3
including that covered by:				
—external funding	12.0	1.7	35.4	3.8
—internal funding	51.8	7.1	41.4	4.5

Controls on Energy Exports, Prices To Remain

MM3110125994 Moscow ROSSIYSKAYA GAZETA in Russian 29 Oct 94 p 9

[Report by Vladimir Kucherenko: "Oil Under Control"—from the "Biznes v Rossii" section]

[FBIS Translated Text] The 25 October session of the Government Commission for Current Issues discussed the liberalization of exports of energy sources promised by the Russian Federation president.

Contrary to the IMF's insistence, the abandonment of quotas and concessions is not leading to the abandonment of control mechanisms. And, although it has been decided to cut export duty from 30 ecus to 11-15 ecus a tonne while abolishing concessions for the import of equipment for the fuel and energy complex, there will not be equal access to pipelines. Equal access will be maintained only for producers. The system of specialist exporters obliged to prove their qualifications annually will also remain in place. Controls will be stepped up over the repayment of hard-currency earnings, and suppliers will in addition have to pay a deposit—in the form of an export duty—when exporting oil for refining abroad.

Controls over the prices of deals will be maintained in one form or another: Either market quotations will be standardized, or the customs will regularly report on minimum prices. The State Customs Committee also raised the issue of the expedited construction of collection and pumping stations on the borders of the Russian Federation.

MMM Share-Selling Outlets Reopen Tomorrow

LD3110125794 Moscow INTERFAX in English 1114 GMT 31 Oct 94

[FBIS Transcribed Text] Outlets trading in shares of the MMM corporation will reopen on Tuesday, the MMM press secretary Sergey Taranov told Interfax on Monday.

He said 48 outlets will open in Moscow and 49 in other Russian cities (Arkhangelsk, Yekaterinburg, Barnaul, Belgorod, Volgograd, Smolensk, Samara etc.) and CIS countries.

Taranov confirmed the intentions of the MMM president Sergey Mavrodi to invest $10 million of his personal money in the economy of the Mytischchi region which elected him to the State Duma on Sunday. The money will be spent on the construction and modernization of roads, schools, hospitals and old peoples' homes.

Earlier Mavrodi, 39, said he would not join any of the groups in the Duma.

Meanwhile, an MMM outlet in downtown Moscow refused to answer questions from a reporter for the Financial Information Agency because of lack of information. People are beginning to gather outside the company office waiting for the resumption of its operation.

Several days before his election Mavrodi told Interfax that if he became a deputy, in at most three months the quotations of MMM shares would return to the level of last July when they were purchased from owners for 125,000 rubles.

Military & Space Issues

Prosecutor General Orders Army Corruption Investigation

LD3110153294 Moscow INTERFAX in English 1401 GMT 31 Oct 94

[FBIS Transcribed Text] Russia's Acting Prosecutor-General Aleksey Ilyushenko has instructed the Chief Military Prosecutor's Office to check on all the facts which can be qualified as corruption in the former Western Army Group. What is meant here is not a new investigation, but facts already available.

The Military Prosecutor's Office is currently investigating four criminal cases initiated against high-ranking military and civilian officials of the Western Army Group.

A representative of the law-enforcement bodies, who preferred to remain anonymous said that such a mission would hardly be efficient. "All of the compromising documents must have been destroyed a long time ago," he told Interfax. He also emphasized that "if the Prosecutor-General's Office really wanted to establish the truth, it would have done so before the murder of Dmitriy Kholodov."

Reporter Dmitriy Kholodov of the newspaper MOSKOVSKIY KOMSOMOLETS was killed on October 17 as a result of a terrorist explosion in the editorial office. Shortly before his death he was investigating problems of corruption and arms trade in Russia's military circles.

Geostationary Meteorological Satellite Launched

LD3110155294 Moscow ITAR-TASS World Service in Russian 1505 GMT 31 Oct 94

[By ITAR-TASS correspondent Anna Bakina]

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[FBIS Translated Text] Moscow, 31 Oct—An "Elektro" geostationary meteorological satellite was launched at 1730 hours, 55 seconds (1430 hours 55 seconds GMT) today by the Russian Military Space Forces (MSF) from Baykonur cosmodrone by means of a "Proton" carrier rocket.

As Itar-Tass was told at the press center of the MSF, the launch was effected in the interests of the Russian Federal Service for Hydrometeorology and Monitoring of the Environment (Roskomgidromet). The satellite, with a mass of 2,580 kg, will ascend to an altitude of 36,000 km. Its period of revolution will amount to 23 hours 56 minutes. The "Elektro" weather satellite will be controlled from the center for control of flights of scientific and national economy designation of the MSF.

Malfunctions Delay Return From Mir

LD0111110094 Moscow ITAR-TASS World Service in Russian 0912 GMT 1 Nov 94

[By Marina Barinova, ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 1 Nov—The return to earth of cosmonauts Yuriy Malenchenko, Talgat Musabayev, and [Dr.] Ulf Merbold, who represents the European Space Agency, has been delayed for one day.

"Their work in orbit was to be completed on 3 November," cosmonaut Vladimir Solovyev, the flight leader, told the ITAR-TASS correspondent today. "But due to earlier malfunctions in the automatic docking system of the Mir orbital station to the Progress cargo spacecraft and the Soyuz-TM 20 spacecraft a decision was taken to check whether the equipment was ready for complex tests."

On 2 November the crew will undock Soyuz-TM 20 and take it some distance from the Mir orbital complex. The cosmonauts will then make a video recording of the docking unit, after which they will re-dock with the complex. If the maneuver fails, the crew will start preparing for a return to Earth.

But we hope for success, Vladimir Solovyev noted, and the landing of the Soyuz-TM 20 spacecraft is planned for 4 November near the town of Arkalyk in Kazakhstan.

Scientific Experiments Continue on Mir Station

LD0111115094 Moscow ITAR-TASS in English 1050 GMT 1 Nov 94

[FBIS Transcribed Text] Flight Control Centre November 1 ITAR-TASS—Yuri Malenchenko, Talgat Musabayev, Valeriy Polyakov, Aleksandr Viktorenko, Yelena Kondakova and Ulf Merbold, the astronaut of the European Space Agency, are continuing their flight programme. The 16th flight crew will finish biotechnological "Biocryst" and "Maksat" experiments today and prepare packs with experimental materials to be brought to earth. The crew captain and the flight engineers will also exercise in the vacuum pressure suit "Chibis."

Merbold's programme for today includes serial medical tests and inflight trial of a lepton computer.

Trial of a "Kurs" radiotechnical docking system, installed on a "Kvant" module, is scheduled for November 2. The system is to be used in the future in transportation of payloads to the manned station by automatic "Progress" ships. To carry out the trial, "Soyuz TM-19" will be undocked from the "Mir" station, the "Kurs" system will be tested using various functional regimens, and the station will be then docked to the astrophysical module.

Reports from orbit and telemetric data indicate a normal progress of the mission and a good condition of the astronauts.

Regional Affairs

Initial Figures on Komi Oil Spill Disputed

LD3110201294 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 31 Oct 94

[Report over video by correspondent Anna Nevskaya with recorded remarks by Valentin Leonidov, director general of the Komineft joint stock company and Natalya Rubanova, member of the environmental commission—identified by caption; from the "Novosti" newscast]

[FBIS Translated Text] [Announcer] The elimination of the consequences of the accident on the oil pipeline in the Republic of Komi continues. In the first few days, following the publication of the data about the oil spill, many commentators described what happened in the area of Usinsk as an environmental disaster. Specialists are insisting on the term "accident."

[Nevskaya] [video shows man shovelling oil with a spade by the shore] First about figures. IZVESTIYA has reported that according to preliminary reports, the estimated amount of the oil spilled is 300,000 tonnes. Our media reported right after the accident that 200,000 tonnes of petrochemicals had been spilled. However, the oilmen themselves actively denied it.

[Leonidov] You know this figure is completely absurd. We just do not recover enough oil to have 200,000 tonnes spilled. A sensible figure is 14,000 tonnes. It can indeed be confirmed.

[Rubanova] But Valentin Leonidov is an interested party. The Russian Ministry for Emergency Situations, on the other hand, knew about what had happened. According to the criteria accepted in our country, we deem a situation to be a catastrophe if the content of certain petrochemicals in waterways exceeds 10 times the permissible limit. That is exactly the situation to be observed in the Republic of Komi, and this is why we use the word catastrophe to describe it.

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[Announcer] As our correspondent was told by Vyacheslav Bibikov, the deputy head of the Republic of Komi, the situation in Usinsk is being monitored by Ministry of Nature experts and hydrogeologists. The main task is to prevent the oil from getting into the rivers Usa and Pechora.

No Outside Help Needed With Oil Spill

LD3110192194 Moscow ITAR-TASS World Service in Russian 1843 GMT 31 Oct 94

[By ITAR-TASS correspondent Viktor Makarov]

[FBIS Translated Text] Syktyvkar, 31 Oct—The government of the Komi Republic considers it will be able to cope single-handedly with the aftermath of the accident at the Usinsk oil pipeline, Yuriy Spiridonov, head of the Komi Republic, told ITAR-TASS today.

He said there was no need for external help. He was referring to the recent proposal by the governor of Alaska that American experts be sent to the Usinsk area. "There is no need for such help. The Komi Republic is capable of coping by itself with the consequences of the ruptures in the pipeline that developed in August-September."

Yuriy Spiridonov said he "does not regard the accident as an ecological disaster."

Usinsk Oil Spill Figure of 64,000 Tonnes Cited

MM0111101694 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 28 Oct 94

[From the "Novosti" newscast: Video report with announcer-read voice-over]

[FBIS Translated Text] Substantially different figures for the scale of the oil spill resulting from the accident to the oil pipeline near Usinsk are given by the different structures involved. According to the Usinsk committee for nature conservation, 64,000 tonnes of oil were spilled. The rusting 50-kilometer sector of the oil pipeline which is now 20 years old has burst several dozen times in the past two months. But the most serious rupture occurred in September. In the waterlogged, impassable low-lying areas the oil gushed out for 14 days before the huge oil slick was discovered by helicopter pilots from the Ministry for Emergency Situations. A layer several dozen centimers thick has covered enormous areas. This will inevitably lead to the complete death of the upper layers of the soil and the demise of plants and animals. According to ITAR-TASS it is planned to complete work to eliminate the accident and to repair the worn out section of the pipeline by 1 April. The true scales of the disaster will probably be revealed only with the spring floods.

Soskovets Visit to Karelia Cancelled; No Reason Given

LD3110142994 Moscow ITAR-TASS World Service in Russian 1320 GMT 31 Oct 94

[FBIS Translated Text] The planned visit to Karelia [northwest Russia] today by First Deputy Prime Minister of the Russian Federation Oleg Soskovets has been cancelled, ITAR-TASS was told by the deputy prime minister's advisor Yuriy Mikhaylov. No one in Oleg Soskovets's office could give any reason for the cancellation of the visit.

Oleg Soskovets was to take part in the ceremony to open the "Vyartsil'ya" international crossing point on the border between Russia and Finland on 1 November. He had also intended to discuss the social and economic situation in the republic with Karelia's factory directors and business circles and to visit the Petrozavodskbummash joint stock company [Petrozavodsk plant producing paper making machinery] and the Kostomuksha mining and concentration plant "Karelskiy okatysh" [Karelia pellet].

Moscow Official Wins Libel Suit Against Gorbachev, Paper

MM3110142794 Moscow PRAVDA in Russian 29 Oct 94 p 1

[Unattributed report: "Gorbachev Censured"]

[FBIS Translated Text] On Thursday 27 October Moscow's Savelovskiy Intermunicipal Court adopted a decision to satisfy the action by Vladimir Resin, leader of the Moscow Government's construction department, against USSR ex-President Mikhail Gorbachev and the newspaper KOMSOMOLSKAYA PRAVDA. One million rubles will be exacted from M. Gorbachev, and KOMSOMOLSKAYA PRAVDA is obliged to publish a refutation within one month.

Resin's application to the court was prompted by an article in KOMSOMOLSKAYA PRAVDA 21 July 1994 entitled "Let Them Crucify Me...." In conversation with O. Kuchkina, the newspaper's correspondent, the ex-president of the USSR made the following mention of the construction department's leader as an example of corruption in present-day Russia: "Resin creates structures, and he himself makes the decisions to let these structures have everything for a song."

Nuclear Fuel Regeneration Plant Approved in Krasnoyarsk-26

LD3110180994 Moscow INTERFAX in English 1624 GMT 31 Oct 94

[FBIS Transcribed Text] The authorities of the Krasnoyarsk Territory, Siberia, gave consent for the construction of a nuclear station fuel regeneration plant in the Krasnoyarsk-26 nuclear center.

Officials in the territorial administration told Interfax that its deputy head, Sergey Arich, had signed a document, drafted by the Nuclear Energy Ministry, endorsing the project. The territorial authorities had for 30 months obstructed the project due to environmental considerations. A preliminary agreement on construction of the plant was reached last April.

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The plant will be able to handle about 4000 fuel rods. The project will cost 3.5 trillion rubles in early 1994 prices. The construction will take 10 years. Ukraine, Slovenia, Switzerland, Taiwan and Japan have expressed interest in the plant, territorial officials said.

The Nuclear Energy Ministry and the local authorities are negotiating the construction in Krasnoyarsk-26 of a storage facility for fissible substances to be obtained from nuclear warheads under the arms limitation treaty with the U.S. The territorial administration does not agree to having storage facilities of either the warheads or the highly enriched uranium, obtained from them, on its soil.

Other proposed sites for storing nuclear warheads and processing plants are the Chelyabinsk Region in the Urals and the Tomsk Region in Western Siberia.

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International Affairs

Canada Pledges Financial, Technical Support

LD3110171394 Moscow ITAR-TASS in English 1550 GMT 31 Oct 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] Kiev October 31 TASS—Ukrainian President Leonid Kuchma described his official visit to Canada as a milestone in partner relations between Ukraine and Canada. "We have seen a prospect of real rather than declared large-scale economic and political support," the president told a news conference today.

Kuchma said the restructuring of Ukraine's economy would be facilitated by the agreement on friendship and cooperation and a set of other accords envisaging broader economic, political, military and other relations between the two states.

The Ukrainian president told reporters about his meetings with Canadian business quarters, where new joint ventures and direct investment in the Ukrainian economy were discussed.

Kuchma said Canada would financially support Ukraine in its transition to a market economy. In particular, Canada has earmarked 23.8 million dollars for technical support of Ukraine's reforms and 13.5 million for settlement of its debt to the International Monetary Fund.

Masol Receives Lithuanian Sejmas Delegation

LD2810140994 Kiev UNIAR in Ukrainian 1145 GMT 28 Oct 94

[FBIS Translated Text] Kiev, 28 Oct—Ukrainian Prime Minister Vitaliy Masol has received a Republic of Lithuania Sejmas delegation, led by Sejmas Chairman Ceslovas Jursenas. As well as discussing activity by Ukraine's and Lithuania's national banks and prospects for their coordination, they discussed the possibility of lowering the rate of inflation, declines in production, and increasing the population's social security in both countries.

Discusses Gas Debt, 'Zero Option'

LD2810172194 Kiev UNIAN in Ukrainian 1315 GMT 28 Oct 94

[FBIS Translated Text] Kiev—Ukraine's Premier Vitaliy Masol and Ceslovas Jursenas, chairman of the Republic of Lithuania Sejmas, had a meeting on 28 October.

Ukraine's premier said at the meeting that the major problem facing Ukraine is the settlement of accounts with Russia and Turkmenistan for gas. According to Vitaliy Masol, the situation has been aggravated, among other factors, by curtailment of production (particularly because of a poor harvest of sugar beet) and it is necessary to look for the other options of repaying the debt. One of these is the postponement of payments for gas; it could also be possible to pay out the debt to Russia at the expense of granting it the Black Sea Fleet on lease.

As far as the "zero option" in settling mutual accounts between Ukraine and Russia is concerned, Vitaliy Masol remarked that this issue would be discussed by the presidents of the two countries, however "Russia is not yet ready for this."

Ukraine's premier told Ceslovas Jursenas that the issue on the restitution of property is not being tackled in Ukraine for the time being because "it could lead to conflicts."

Marmozov Notes Preparedness To Join IPA

LD3110142894 Moscow ITAR-TASS World Service in Russian 0910 GMT 31 Oct 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

[FBIS Translated Excerpt] St. Petersburg, 31 October—"The parliamentary delegations have noted with satisfaction Ukraine's wish to become a full member of the Interparliamentary Assembly [IPA], says the communique of the fifth plenary session of the IPA of the CIS states, which took place in St. Petersburg last Saturday [29 October]. Commenting, at the request of journalists, on this passage in the final document, Yevheniy Marmazov, deputy of the Supreme Council and head of the Ukrainian delegation which attended the session as an observer, said: "The time is now ripe for Ukraine to join the Interparliamentary Assembly. The sooner we do it, the fewer losses the republic will suffer. There is no other alternative". [passage omitted]

"The West will not help us, it is pursuing first and foremost its own interests," the politician said. Therefore, in his opinion, "the only solution lies in the CIS countries uniting and supporting one another." Even Europe is uniting, he pointed out. The deputy revealed that the Ukrainian head of state had already signed a number of documents on Ukraine's membership in the IPA.

Kiev Notes Progress on CSCE Treaty Assurances

LD3110210694 Moscow INTERFAX in English 1939 GMT 31 Oct 94

[FBIS Transcribed Text] Ukraine will join the Nuclear Weapons Non-Proliferation Treaty [NPT] only after it receives complete guarantees regarding its national security, Chairman of the Ukrainian Parliament's Commission on International Affairs Boris Oleynik told Interfax-Ukraine after the meeting of his commission and the parliamentary Commission on National Security.

Kiev proposed that a memorandum under a 4+1 formula be signed at the CSCE summit in Budapest in early

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December. In the memorandum the leaders of the U.S., Britain, France and Russia would guarantee national security to Ukraine.

Ukraine has already reached an agreement with the U.S., France and Russia on the granting of such guarantees. Britain has not yet stated its position on the issue.

Member of the Ukrainian Parliament's Commission on International Affairs Aleksandr Shandryuk said the two commissions had failed to work out a single decision because of difference in positions.

The Commission on Nuclear Policy and Nuclear Safety said the treaty on non-proliferation did not provide for "Ukraine's precedent" as that of the first state in the world to declare a non- nuclear status while possessing nuclear weapons.

The UNA-UNSO (Ukrainian self-defense) [National Assembly- National Defense] radical nationalist organization worked out two draft resolutions for the parliament on Ukraine's joining of the non-proliferation treaty.

Ukrainian deputy Oleg Vitovich told Interfax-Ukraine today that the first draft resolution provided for further necessary conditions to be met before Ukraine would join the treaty. He added that in accordance with the second draft resolution Ukraine would join the non-proliferation treaty as a nuclear state.

Inspectors Approve of Arms Reduction Compliance

LD2810170094 Kiev UNIAN in Ukrainian 1315 GMT 28 Oct 94

[FBIS Translated Text] Kharkov—Ukraine is fulfilling in full measure the obligations it assumed in compliance with the treaty on conventional armed forces in Europe. Such a conclusion was made by members of a group of inspectors monitoring arms reduction, who were in Kharkov 26-27 October. The group consisted of representatives of Great Britain, Belgium, and Spain and observers from the United States.

At a local tank repair factory the inspectors checked another batch of dismantled hardware and inspected the tanks, which arrived from military units, to be liquidated.

Two hundred and fifty armored vehicles have already been dismantled over the past two years.

Also, the inspectors visited a military aviation repair enterprise that is dismantling aviation technology.

National Affairs

Kuchma on First 100 Days in Office

LD3110195894 Kiev Radio Ukraine World Service in Ukrainian 1300 GMT 31 Oct 94

[Introductory statement by President Leonid Kuchma prior to news conference in Kiev]

[FBIS Translated Text] [Press secretary Mykhaylo Doroshenko] As we agreed, this will be the first wide-ranging news conference that I know from my conversations with journalists, everybody has been waiting for. It is dedicated to the first stage of the president's term in office and any other issues you might wish to raise. At first, Leonid Danylovych Kuchma will say a few words.

[Kuchma] Esteemed ladies and gentlemen. My first 100 days were dedicated to a comprehensive and in-depth analysis of the situation in society and a tentative program of radical economic and political changes in Ukraine. The most challenging event for me was to address the Supreme Council on 11 October this year. There, I gave my assessment of the legacy passed down to the new state authority, outlined our starting potential and the limits of our responsibility for the present and future of Ukraine. At the same time, I proclaimed the main principles of the president's new economic policy and a program of in-depth political reform of society. That day concluded the period of preparation. I will not repeat today my assessment of the situation our society is in. You know it. I will only reiterate that in this exceptionally difficult process in society there is no alternative to radical economic reform in the wide sense of the word. I stress, in the wide sense of the word. I would like the entire population of our state and our society as a whole to understand it. I am convinced that the press corps understands it like nobody else, and I appeal to all of you to explain to our countrymen the objective nature and the inevitability of the changes taking place. The president and the government understand that these processes cannot be smooth and painless, and you understand it, too. But it is the only possible route toward a solution to an extremely critical situation in the economy, a way to change the situation for the better, stabilize people's living standards, and achieve their gradual improvement in the not too distant future.

To implement the new economic policy, one needs a strong and efficient authority, and first of all, a strong executive branch. This was the second most challenging task the president's efforts have been aimed at all this time. A lot has been done already on this issue. An executive power core is being planned, and relevant presidential edicts have been issued. Relevant amendments to the law on local councils have been submitted to the Supreme Council. In this context, it was fundamentally significant to set up the Council of Regions. Using this opportunity, I would like to stress that we have achieved full understanding with the regional state power structures on this issue. Nevertheless, there are many problems involved that need an urgent solution, and we are working on it.

Consolidation of top executive personnel was a priority. You know about the changes that have taken place here. Today, I signed exceptionally important edicts on the appointment of two first deputy prime ministers and a deputy prime minister for agriculture. I would also like

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to say that the formation of the presidential administration is also nearing completion. That is also a complicated stage in our life. We have managed to attract leading experts and well-known scientists. We have created a body that is drafting the strategy and tactics of the state's economic development. There was no such body in the administration before. But the issue of radical restructuring in the economic management remains somewhat unresolved. A group of government officials and experts will continue to work on a relevant edict.

The new economic and political strategy demands accelerated delimitation of power. We need to put an end to the fruitless rivalry between different power branches. The Supreme Council must concentrate on the legislative process, which I stressed in my address to them, while the president and the government perform executive and administrative functions. Given that, the president is asking for just one thing: for executive authorities not to be prevented from performing their inherent functions. In this connection, the president is standing firm for the earliest possible adoption of the new constitution and a constitutional law on power in the transitional period soon to be submitted to the Supreme Council. I am doing this to make sure we are acting in accordance with the agreement between the president, the Supreme Council chairman, and the prime minister—spelled out in the statement made during the first days of my presidency. At the same time, I fully realize now that there are some quite influential forces within society who are keen to delay the constitutional process, which creates objective conditions for preserving the existing uncertainty in the relations between the power branches. The president is firmly in favor of accelerating judicial reform and strengthening judicial power. My stance on the issue was recently expressed in my speech to the second congress of Ukrainian judges.

The fourth and fundamental area of presidential activity has to do with the fight against organized crime, corruption, and the increasing influence of the so-called fifth power in society. In fact, there is a war going on. You know very well the measures we have undertaken. The fight is becoming more tense, acquiring new qualities. The president is keeping these processes under control and will do his utmost in order that the who beats who question is decided in favor of the legitimate authorities.

Fifth, the period we are talking about has made essential adjustments to the foreign and foreign economic policies. The main points of these policies are being gradually implemented, balancing relations both with the East and with the West. I am pleased with our delegation's work at the Council of CIS Heads of State on 21 October in Moscow and the talks I had with Russia's President Boris Yeltsin. There is every reason to say that our interstate relations are showing a new quality, although many complicated issues remain to be resolved together. I am also pleased at the expansion of our relations with the West and the increase of Ukraine's integration into international economic structures.

Now, a few words about the current economic situation. I want to focus attention on one single problem. Real economic reform has been launched, and it is extremely important to maintain the same line of conduct. This, first of all, concerns financial and monetary stabilization without which there will be no real revival of output. This is no academic speculation, but the result of our experience in the past few years. There is an extremely large inflationary potential accumulated in the economy. Therefore, the main course of the president's and government's activity for the next two months will be to prevent us from slipping into the hyperinflation abyss. I want to be understood on this at all levels, including the Supreme Council. It is too dangerous to play hide and seek on this issue. The efficiency of executive authorities under these circumstances will be determined by our ability to prevent hyperinflation in November-December of this year. This will be our biggest test.

At the same time, we are not talking about a complete halt to price rises. But this process must be under control. I want to assure our citizens that the state will do its utmost to offer preventive social protection to the most vulnerable strata of the population. We have worked out a package of measures that is already in effect. People have begun to receive first benefits, and tomorrow we will again examine these issues at our extended meeting.

Finally, we have just completed our state visit to Canada. Its course and results have been covered extensively. Its main outcome is the fact that we have received evidence of not merely declarative, but genuine wide-ranging political and economic support. This is proven by the interstate agreements we have signed, which will be published in the press. The other part of this trip was a successful conference in support of economic reforms in Ukraine. We received the first IMF loan of $365 million. This is exceptionally important for us today. At the same time, I must stress that international credits will not save Ukraine's economy. We need to get our own financial system and production working. Loans can be spent in one month, as has been done before, in the Soviet Union. We need to use them rationally as an additional impetus to cushion the crisis. Such are my preliminary ideas I wanted to share with you while summing up the first stage of my presidency. Thank you.

Kuchma Makes Appointments, Discusses Economics

LD3110181894 Moscow INTERFAX in English 1624 GMT 31 Oct 94

[FBIS Transcribed Text] Ukrainian President Leonid Kuchma announced the appointment of two first deputy prime ministers and a deputy prime minister in charge of agriculture.

The well-known economist Viktor Pinzenik, who served in the Kuchma government as deputy prime minister in

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charge of the economic reform from October 1992 to August 1993, was appointed first deputy prime minister for economic reform.

Yevheniy Marchuk will be another first deputy prime minister. He will also chair the coordinating committee against corruption and organized crime.

Petr Sablyuk, 53, who had been director of the Agricultural Economy Institute, was appointed deputy prime minister in charge of agriculture.

At a news conference in Kiev on the first 100 days of his presidency, Kuchma said Monday that he had fully analyzed the situation and worked on a program of sweeping economic and political changes during that time.

He described his address to the country's Supreme Soviet on October 11 when he unveiled his course for profound political and economic reforms as the highlight of the 100 days. Kuchma said that a preparation period had ended on that day.

He argued that there was no alternative to the economic reform in the country.

In his words, the new economic and political strategy called for a redistribution of the functions between the branches of authority. He called for an end to obstructing the executive branch and an early adoption of a new Constitution.

Kuchma said that he had succeeded in correcting the foreign economic and foreign political courses and in balancing the relations with both the East and the West.

Kuchma was pleased with the results of the CIS summit in Moscow on October 21 and of his talks with Russian President Boris Yeltsin. In his view, the relations with Russia changed for the better.

Kuchma said that the Supreme Soviet had to ratify the Nuclear Non-Proliferation Treaty and that he had asked parliament chairman Oleksandr Moroz to have the ratification process accelerated. Kuchma believed that for a country which did not possess nuclear technologies to join the treaty was a purely political decision. He argued that if Ukraine had signed a trilateral agreement on its nuclear disarmament, there was no point in not joining other treaties on this subject soon.

Names Security Council

WS2810131894 Kiev HOLOS UKRAYINY in Ukrainian 26 Oct 94 p 2

["Text" of presidential decree signed by President Leonid Kuchma in Kiev on 22 October: "On Composition of the Council of National Security"]

[FBIS Translated Text] In connection with the Edict 469 issued by the Ukrainian president on 23 August "On Regulations About the National Security Council Subordinated to the Ukrainian President," I hereby decree:

1. To approve the personnel composition of the National Security Council and the Presidium of the National Security Council subordinated to the Ukrainian president. (as attached)

2. To declare invalid Chapter 2 of Ukrainian presidential edict 357, of 1 July 1992, "On the Ukrainian National Security Council" and Ukrainian presidential edict 546, of 22 November [year not given], "On Changes to the Personnel Composition of the Ukrainian National Security Council."

3. The presidential edict comes into effect on the day of its signature.

[Signed] Ukrainian President Leonid Kuchma; Kiev, 22 October 1994

[Subhead] Personnel Composition of the Ukrainian National Security Subordinated to the President;

Kuchma, Leonid Danylovych—Ukrainian president (chairman of the Council);

Masol, Vitaliy Andriyovych—Ukrainian prime minister;

Horbulin, Volodymyr Pavlovych—secretary of the National Security Council and adviser to the Ukrainian president for national security issues;

Marchuk, Yevhen Kyrylovych—Ukrainian deputy prime minister;

Shmarov, Valeriy Mykolayovych—Ukrainian deputy prime minister and defense minister;

Tabachnyk, Dmytro Volodymyrovych—head of the Ukrainian president's administration;

Hermanchuk, Petro Kuzmovych—Ukrainian finance minister;

Kostenko, Yuriy Ivanovych—Ukrainian minister of health care and environmental protection;

Malkov, Valeriy Vasylyovych—chairman of the Ukrainian Security Service;

Onopenko, Vasyl Vasylyovych—Ukrainian justice minister;

Osyka, Serhiy Hryhorovych—Ukrainian minister of foreign economic relations;

Petrov, Viktor Mykhaylovych—Ukrainian minister of machine- building, military-industrial complex, and conversion;

Radchenko, Volodymyr Ivanovych—Ukrainian interior minister;

Udovenko, Hennadiy Yosypovych—Ukrainian foreign minister;

Shpek, Roman Vasylyovych—Ukrainian minister of economy;

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Shulha, Mykola Oleksandrovych—Ukrainian minister for ethnic minorities, migration, and religion;

[Signed] D. Tabachnyk, head of the Ukrainian president's administration

Composition of the National Security Council Presidium

Kuchma, Leonid Danylovych—Ukrainian president (chairman of the Council);

Masol, Vitaliy Andriyovych—Ukrainian prime minister;

Horbulin, Volodymyr Pavlovych—secretary of the National Security Council and adviser to the Ukrainian president for national security issues;

Marchuk, Yevhen Kyrylovych—Ukrainian deputy prime minister;

Shmarov, Valeriy Mykolayovych—Ukrainian deputy prime minister and defense minister;

[Signed] D. Tabachnyk, head of the Ukrainian president's administration

Socialist Congress Begins, Identifies Presidium

LD2910203294 Kiev UNIAR in Ukrainian 1545 GMT 29 Oct 94

[FBIS Translated Text] Kiev, 29 Oct—The fifth congress of the Socialist Party of Ukraine [SPU] has begun work at the Ukrainian House. Over 500 delegates from 23 Ukrainian oblasts are taking part. At the beginning of the congress the delegates elected the Presidium, which is made up of 34 people, including Supreme Council Chairman Oleksandr Moroz and Supreme Council People's Deputies Serhiy Kiyashko, Volodymyr Marchenko, Volodymyr Mukhin, and others. In all, more than 50 people's deputies of Ukraine are taking part in the work of the congress. Representatives of eight parties of a "leftist" tendency also entered the Socialist Party's Presidium, namely: the Communist Party of Ukraine, the Peasant Party of Ukraine, the Union of Communists of Ukraine, the Bulgarian Socialist Party, the Socialist Parties of Romania and Serbia, France's Communist Party, and so on.

Hungary's ambassador to Ukraine, Cuba's charge d'affaires ad interim in Ukraine, and the first secretary of the PRC Embassy are taking part in the work of the Presidium.

In his report, Serhiy Kiyashko, acting chairman of the Political Council of the Socialist Party of Ukraine, described the activity and gains of the party and its leadership, stressing that the socialists have 14 deputy seats in parliament, and that Oleksandr Moroz, a representative of the Socialist Party, has been elected Supreme Council chairman. Mr. Kiyashko also stressed that there can be no talk of uniting the SPU with the Communist Party, because the socialists are against any kind of dictatorship, either bourgeois or proletarian. Serhiy Kiyashko proposed that a youth wing of the Socialist Party be set up.

Oleksandr Mishchenko, chairman of the SPU Control Commission, noted in his report that party members are not receiving material support from abroad, in particular from the Ukrainian diaspora.

In his political report Oleksandr Moroz noted that as of October this year, Ukraine's economy has "reached equilibrium, from which there could be three ways out: improvement, decline, or a continuation of uncertainty." Mr. Moroz called the election of Vitaliy Masol as Ukraine's prime minister justified, and the existing number of deputies from the socialist Party in the Supreme Council "lower than the intellectual minimum" of the Socialists. Oleksandr Moroz believes the Socialists' main tasks on the path of building the state to be the development of a broad general democratic movement for the social protection of workers, and also the creation of a coalition of "leftist" forces.

The SPU congress will last for two days.

Moroz on Economy, His Dual Role

LD2910221694

[FBIS Editorial Report] Kiev Radio Ukraine World Service in Ukrainian at 2000 GMT on 29 October broadcasts a 10-minute report by Radio Ukraine correspondent Petro Ostapenko from the Congress of the Socialist Party of Ukraine. He mentions that the Socialist Party membership has decreased by a third since since Ukraine's Communists became active again.

Ostapenko says that in his report, Serhiy Kiyashko, acting chairman of the Political Council, rejects the assertion that Ukraine's Communists and socialists are the same, and says that socialists are for market reforms and against any kind of dictatorship.

Ostapenko then says that in his report, Oleksandr Moroz, Ukrainian parliament speaker and leader of the Socialist Party, reflects on his dual role. He also mentions questions which socialists ask themselves. He says:

"One of the questions is this: Is the party hindered by the fact that one of its representatives heads the state legislative body? There are thoughts that it is. True, the Supreme Council sometimes, and often, adopts an unpopular decision, sometimes not to the benefit of the people. Whether we like it or not, the dissatisfaction of the people is linked with the Supreme Council chairman, and is naturally projected on the party (?as a whole). One should see this, but at the same time not fall into hysteria. Let us reject the possibility of at least partially influencing legislative work. Let a representative of the right head the Supreme Council, while we go over to hollow opposition. Will the party gain from this? It is hard to say. Will the people and the state gain? Hardly. This means that one has to work in real conditions.

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"The second question: How should I act in the Supreme Council in specific cases, as a socialist or as Supreme Council chairman? I will say this: If more than half of the deputies were socialists, I would act as a socialist. And I am sure that this would be for the benefit of the people, and would strengthen Ukraine's statehood and economy. But as this is not so I should act optimally, ensuring the efficiency of the Supreme Council as it is. By the way, this is not as simple as it seems on the television screen.

"The third and especially difficult task concerns relations between the Supreme Council chairman and the party. This issue has been discussed at [word indistinct] Political Council sittings. The reason for this attention was the subjective factors which emerged after the chairman was freed from practical leadership of the party. After this some hurried to make statements about a crisis in the party. This is nonsense. There is no crisis. There is entirely ordinary friction between personalities, when sometimes someone's own ambitions rise above common interests. I can cooperate with anyone who is in the leadership of the party's [word indistinct] now. I will find a common language with anyone. And each one will place the best features of his character and his experience on the altar of the party, so to speak."

Ostapenko adds that Moroz pays a great deal of attention to the economy in his report, and that he unambiguously expresses himself in favor of a socially oriented market economy, regulated by the state, calling this path absolutely necessary. Moroz adds:

"This approach is seen in particular as the defining one in the report by Ukraine's President Kuchma at Ukraine's Supreme Council session. The said circumstance facilitates the finding of a constructive base for the unity of actions among the legislative and executive authorities in implementing socio-economic policy, and the objectively necessary reform of Ukraine's economy. However, one should also see that the practical achievement of such unity is not a simple matter, that it is comes up against objective and subjective counteracting factors, both of an internal and an external nature.

"In particular, the fundamental differences between the Supreme Council document—and it was based on measures of the Socialist Party of Ukraine, and one should speak frankly about this—and the president's report exist in tactical means of implementing the aforementioned approach to economic reform. The essence of these differences boils down to the extent to which economic reforms in Ukraine will be subordinated to the demands of the International Monetary Fund and the World Bank. The presidential program proceeds from the possibility of fully satisfying the said demands, full liberalization of prices and the exchange rate, extensive privatization, and a substantial reduction of social programs."

Ostapenko concludes by saying that Moroz ends his speech with a call for practical work in protecting individuals. He adds that the Socialist Party is in no way turning into a liberal or other right- wing party, and that there is room on the left for both the Communist and the Socialist Party without any overlap.

Chairman Delivers Address

LD2910181294 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 29 Oct 94

[FBIS Translated Text] As has already been reported, the fifth congress of the Socialist Party of Ukraine is proceeding in Kiev today. Its delegates listened to reports by the political council and the control commission, and also information from the working group, which has been working on proposals regarding additions and amendments to the party's statute.

Oleksandr Moroz, a member of the socialist party's presidium and Ukraine's Supreme Council chairman, delivered a political report at the congress on the socialists' tasks. He analyzed the socioeconomic and political situation in the state and explained some sides of the activity of the socialist group in the Ukrainian parliament.

In his opinion, the socialists should now act proceeding from the real circumstances, which have arisen in the country. Ukraine is in an extremely difficult socioeconomic situation. Not a single political force in it has a perceptible advantage. Oleksandr Moroz believes that implementation by the socialists of social democratic tasks does not run counter to the intentions of socialist construction. He also noted that the main provisions of President Leonid Kuchma's economic program are called forth by objective circumstances.

In Oleksandr Moroz's opinion, the socialist party should now particularly develop a broad democratic movement in defense of the individual's social rights, defend the socialist choice, actively seek ways of coopera ion with the trade unions, include workers in administ ation of the state and renew popular control.

Committees Recommend To Submit to NPT

WS0111111294 Kiev INTELNEWS in English 0229 GMT 1 Nov 94

[Report by Natalia Filipchuk]

[FBIS Transcribed Text] Kiev, Oct. 31—Closed door parliament committee meetings recommended Monday that Ukraine accede to the Non-Proliferation Treaty, which would give it official non- nuclear status.

Despite some strong demands for security guarantees from members, the Defense and State Security and the Foreign Affairs and CIS Ties committees will submit the treaty to parliament.

Administration officials hope to have the treaty approved before President Leonid Kuchma's visit to the United States at the end of November.

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The treaty does not completely reflect the unique situation of Ukraine after the collapse of the Soviet Union, said Center faction leader Anton Buteyko. "In the long-range perspective, the treaty meets our interests," said Buteyko, a Foreign Affairs and CIS Ties committee member. "Furthermore, we have a military doctrine which says Ukraine is to destroy its nuclear weapons, but we have the right to expect similar steps from other states."

Top political leaders are demanding the United States and Russia provide security guarantees for Ukraine in exchange for nuclear disarmament.

"To date, there is no document on security guarantees, but only words that Russia is expected to give safety guarantees to Ukraine," said Buteyko, also former presidential international service chief.

Communist leader Petro Symonenko—whose party commands the largest following in parliament—refused to comment on the issue, saying he still needs "to consult with comrades."

"UNA-UNSO [National Assembly-National Defense] members will vote resolutely against the treaty ratification," said Yaroslav Illashevych, member of the Defense and State Security Committee and of UNA-UNSO, a radical paramilitary organization with three seats in parliament. "There are no guarantees, only talk," he added.

The meeting was also attended by parliament First Deputy Speaker Oleksandr Tkachenko, Foreign Minister Hennadiy Udovenko, and Defense Minister Valeriy Shmarov.

Government, Bank Disagree on Exchange Rate

LD2910164994 Kiev UNIAN in Ukrainian 1310 GMT 29 Oct 94

[FBIS Translated Text] Kiev [no dateline as received]—"The National Bank of Ukraine remains 'a state within a state' and it is necessary to look into it," Ukraine's Prime Minister Vitaliy Masol reaffirmed this stand in an interview with UNIAN on 28 October. According to him, it was unclear why "a leader of an enterprise must pay 200 million karbovantsi to the Central Bank if he wants to withdraw 10 billion karbovantsi in cash." Vitaliy Masol referred to these 2-4 percent of deductions in favor of the National Bank of Ukraine as unfair.

Vitaliy Masol spoke out in support of the decision by the National Bank of Ukraine to unify the karbovanets exchange rate to currencies, although it was only the National Bank of Ukraine that issued a resolution to that end on 22 October, instead of a planned joint resolution by the government and the Central Bank. According to Ukraine's prime minister, "there was no need to join this document because it was within the exclusive competence of the Central Bank."

Viktor Yushchenko, chairman of the Board of the National Bank of Ukraine, in an interview with UNIAN on 28 October, referred to the lack of coordination in actions by certain forces, which have got down to reforms and which interpret the role of the Central Bank in liberalizing the currency market differently, as "annoying."

"The movement of the National Bank of Ukraine along the road to its constitutional independence, unambiguously supported by the president of Ukraine, is painful and dramatic," he emphasized.

Viktor Yushchenko said a joint resolution by the government and the Central Bank was required to switch over to a unified exchange rate of the karbovanets to currencies, because the previous regime of currency regulation (fixed exchange rate) was introduced through the joint decision by the Cabinet of Ministers and the National Bank of Ukraine.

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Belarus

President Still Carrying Out Duties

LD3110174094 Moscow ITAR-TASS World Service in Russian 1627 GMT 31 Oct 94

[By BELINFORM correspondent Svetlana Kalinkina]

[FBIS Translated Text] Minsk, 31 Oct—"Belarussian President Alyaksandr Lukashenka is still carrying out his duties, despite undergoing medical treatment in Moscow." This was announced today by Belarussian Supreme Soviet Speaker Myacheslaw Hryb at a meeting with journalists.

He explained in detail the provisions of the Belarussian Constitution for the eventuality of the head of state being ill. Article 100 of the Basic Law stipulates that "the president is not entitled to delegate his powers as head of state to any bodies or officials."

At the same time, the republic's Constitution also envisages another scenario. In accordance with Article 105, if the president cannot carry out his duties, his powers can be transferred, by a parliamentary resolution, to the chairman of the Supreme Soviet.

The present state of health of Alyaksandr Lukashenka, however, "allows him to carry out his duties," Myacheslaw Hryb stressed.

The first president of Belarussia [Belarus] was already hospitalized in Minsk for treatment in September this year. According to a report from the Sociopolitical Information Directorate of the President's Administration, "for a month now a worsening has been observed in the discogenic radiculitis with radicular syndrome from which Lukashenka is suffering." Owing to the fact that he needs to be at work constantly, the main recommendations regarding the treatment for Lukashenka were not observed. After hospitalization the state of health of the Belarussian president was satisfactory on the whole, and the doctors have allowed him to do his work providing that he is strict about staying in bed.

National Bank Cuts Hard Currency Dividends

WS0111100694 Minsk BELAPAN in English 0820 GMT 1 Nov 94

[FBIS Transcribed Text] The National Bank of the Republic of Belarus has resolved that beginning from November 1, 1994, the payment of dividends to commercial bank shareholders who paid for their shares in the banks' statutory reserves in foreign currencies is to be effected in Belarusian rubles. This measure was taken in accordance with a decision by the parliament and the National Bank with a view of the gradual exclusion of foreign currencies from the payment for goods in retail trade and for services, as well as in connection with the declaration of the Belarusian ruble the only legal circulating medium on the territory of Belarus.

Beginning from November 1, the National Bank discontinues the issue of licenses for retail trade for foreign currencies on the territory of Belarus. As is generally known, beginning from January 1, 1995, "hard currency" retail trade and services will be prohibited. This is stipulated by the National Bank management board's resolution dated October 5 this year.

LDP Criticizes Bahdankevich

WS0111102494 Minsk BELAPAN in English 0830 GMT 1 Nov 94

[FBIS Transcribed Text] The Political Committee of the Liberal Democratic Party of Belarus and the Slav Assembly "Belaya Rus" have made a statement which contains a severe criticism directed against Stanislaw Bahdankevich, chairman of the National Bank of Belarus. "Owing to his ignorant actions," the statement reads, "the financial and credit system of the Republic is now on the brink of collapse... S. Bahdankevich tries to derange the commercial banks' work and imperils the deposits of common people and honest-minded entrepreneurs." The political committee express their protest against the national chief banker's actions and urge the Supreme Soviet to consider the point of immediate relieving Stanislaw Bahdankevich of his post at the current parliamentary session. The Political Committee also express their backing [as received] to the activities of the banks and entrepreneurs that favour the Republic's going out of crisis.

Patriotic Movement Head on Party Program

WS2810094594 Minsk VO SLAVU RODINY in Russian 25 Oct 94 p 1,2

[Interview with Anatoliy Ignatyevich Barankevich, chairman of the Belarusian Patriotic Movement Council, by Lieutenant Colonel A. Bezveselnyy; place and date not given: "The Ranks of the Patriotic Movement Are Being Expanded"—first paragraph is VO SLAVU RODINY introduction]

[FBIS Translated Text] The Constituent Assembly of the Belarusian Patriotic Movement (BPD) was held on 8 October at the Central House of Officers with the participation of 300 delegates from the capital and all of the country's oblasts. The forum approved the movement's statute and program, and elected the Council, Executive Committee, and Audit and Revision Commission. Its participants concluded their work by adopting a letter to Belarusian President Lukashenka presenting their views on the current political and economic situation in Belarus. Our correspondent has recently met with A. Barankevich, who was elected chairman of the Council, and asked him to answer several questions.

[Bezveselnyy] **What prompted the creation of your movement?**

[Barankevich] The idea of uniting all patriotic forces of the Republic came up when I worked at the Council of

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the Officers' Union. Its contours finally sharpened this summer, during the election campaign. At that time, my colleagues and I realized that we can no longer stay away from this urgent matter.

By announcing the creation of a new voluntary sociopolitical organization, we chose the course toward rallying citizens, Belarusian patriots, around the idea of building a socially just society. This society would guarantee all citizens social freedoms, rights, and well-being, all of which are necessary for the integrated development of individuals based on the state's economic potential and the useful working contribution of all.

[Bezveselnyy] **Do you not think that your convictions are very close to priorities of the Belarusian left-wing forces? Will you not duplicate the Belarusian Communist Party, the Belarusian Popular Movement, or the Movement for Democracy, Social Progress, and Justice?**

[Barankevich] No, I do not think so. Observing the situation unfolding in the left wing, I have noticed the following: If you look at the Communists, only 4 percent of the voters supported their candidate. You have to be insane to promulgate their ideas holding a red flag in your hands. People will not follow them...

As for the Belarusian Popular Movement, it seems that its leaders want to move everyone into one column, thrusting upon them pro- Kebich ideas and leading them toward capitalism under red banners. This kind of deception, most of all, drives me crazy.

[Bezveselnyy] **As is known, you supported Alyaksandr Lukashenka during the presidential elections. Why?**

[Barankevich] I participated in his presidential campaign not because he is so nice and energetic, but because his ideas and election platform concurred with my life goals—even though I was originally against the institution of the presidency.

[Bezveselnyy] **How, then, should we understand your moves?**

[Barankevich] Life itself forced me to make this choice when I had come to terms with the situation that has taken shape at that particular time. This is why when Lukashenka came to power, I unequivocally took his side. Who else could I possibly support? Shushkevich? Or maybe Paznyak?

[Bezveselnyy] **There were other candidates, after all. Kebich, for example....**

[Barankevich] I could not support him if only because the former head of our government contributed to the breakup of the Soviet Union, putting his signature on the Belavezha Agreements [creating the CIS]. Another reason is that later on, he carried on the disintegration processes initiated in Viskuli [where creation of the CIS was announced]. History, however, will put everything in its right place.

[Bezveselnyy] **Is that what the program of your movement says about the need to repeal the Belavezha Agreements?**

[Barankevich] Yes. We stand for the renovated union of fraternal republics—made up voluntarily and based on respect for nations and all national distinctive features of the former Soviet peoples. Leaders of the new states, let alone ordinary people, have realized the foolishness of this "naked" independence.

[Bezveselnyy] **What do you mean?**

[Barankevich] Exactly what I am saying. You have to understand that none of us will get anywhere on our own. Otherwise, it is a direct road to the Stone Age, where people in our Republic have nothing to keep their houses warm and lit. It will be the right time to remember about a torch... This is why there is no other choice for us—all those living in "sovereign" states—than to unite.

Over almost 40 years of my Army career, I used to see my beautiful motherland under the wings of my plane, spanning from the Kuril Islands to Kaliningrad Oblast. I protected it, I loved and I admired it. But for some reason three years ago, all this turned against me overnight and became hostile.

[Bezveselnyy] **Why hostile?**

[Barankevich] How can you ever put it another way with all those wars around waged by deceived people? Just think, how many innocent people have died in the past? Hundreds of thousands of homeless people are currently moving across the territory of the former Soviet Union? Why did they separate me from my brother, who at the age of 16 went into a guerrilla detachment to defend his Motherland? Why was I barely able to scrape enough money to go to his wife's funeral? I had to pay an entire month's pension to buy a ticket to Volgograd. Why does my sister live in misery in Yoshkar Ola? She worked as a teacher for 45 years and stood all her life by the side of her officer husband. It takes weeks for letters from my relatives and friends to reach my house, and telephone calls have become almost unaffordable...

[Bezveselnyy] **So, what is the BPD, in your opinion, specifically urging people to do?**

[Barankevich] I do not call for a split or a struggle of views, ideas, and convictions. There used to be quite a bit of this before. This is why I call for accord and energetic actions to support the anti-crisis program proposed by the president and the Cabinet of Ministers.

In any case, this wild and destructive process must be stopped. The Republic is inevitably sliding down to a point from which it would be very difficult to get out. In fact, we have destroyed only minor achievements of our socially just system, leaving intact the fundamental ones—state ownership of the means of production and the soviets of people's deputies. If we sell out our Belarusian factories, plants, and land, and then eliminate

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the soviets, we will wake up in a capitalist society one day. I personally would not like to leave this kind of "heritage" to my children...

[Bezveselnyy] **And finally, a couple of professional questions. Could you briefly outline the military aspects of your program? Why is the BPD against Belarus joining the "Partnership for Peace" program?**

[Barankevich] Our movement is not only against Belarus joining that initiative, but also against its joining NATO. As a matter of fact, the Armed Forces of the USSR are now being actively reformed, while national armies are downsizing and getting rid of arms. And what is the North Atlantic bloc doing? They are just pretending to disarm. In reality, they are modernizing their forces, leaving the former Soviet Army without arms. This is why our salvation lies in a military union of the former fraternal republics, instead of entering that bloc.

The BPD views as a serious problem the need to ensure proper preparation of young people for military service. Influence of all military and patriotic institutions has recently diminished considerably. Some "patriots" even proposed that the Minsk Suvorov Military School be closed just because it is named after the prominent Russian general... We should not let this happen. Besides, the BPD fights for the social protection of servicemen who were retired against their will as a result of military cutbacks.

Moldova

Officials on Successes, Problems in Dniester

MM3110165594 Moscow IZVESTIYA in Russian 28 Oct 94 p 5

[Article by Svetlana Gamova: "Will the 14th Army's Property Be Auctioned Off?"]

[FBIS Translated Text] A group of persons carrying weapons intended for sale has been detained by the Tiraspol Military Commandant's Office. This news, which was broadcast on Moldavian [Moldovan] radio, has caused some concern in Chisinau.

Dumitru Dyakov, chairman of the parliamentary foreign policy commission, commented that "the nearer we get to practical steps aimed at withdrawing the army, the more frequently we will encounter such news stories." The concern is well founded: Under the preliminary agreement Moldavia [Moldova] expects to receive 35 percent of the Army's movables and real estate. The 14th Army denies that weapons are likely to leak out of arms dumps.

The agreement signed in Moscow closed a lengthy discussion on this subject and indicated a specific time frame. But many questions still remain open.

Chisinau expects a visit from Russian Defense Minister Pavel Grachev 2 November. With his colleague from the Moldavian military department he is due to sign a protocol determining the date of the first flight to Russia, and also to answer the question of who will pay for it and in what proportions.

In the opinion of Lieutenant General Lebed, commander of the 14th Army, Russia is not capable of carrying out a withdrawal of its troops at the present time. Moldavia is not in a position to help Russia in this. And it is unclear how much Ukraine will hike the price for transit; in view of the state of the railroad, "allowing railcars carrying munitions across its territory could end badly." Anyway, is it profitable to move the tanks back home? Once they have crossed all the interstate lines they will be "covered in gold dust." So should they rather be sold?

Given the current situation in the Dniester region, which claims the Army's property as its own, it will not be possible to sell, still less to hand over the weapons and equipment to the Moldavian side. This is obvious to everyone today. Moldavian Deputy Foreign Minister Nicolae Osmochescu is more optimistic in his view of the situation than Gen. Lebed. He also believes that it is unrealistic to expect a solution to this problem today, but in the future he links its solution to a synchronization of the withdrawal, within a specified time frame, with the settlement of the conflict and the determination of the Dniester region's political status. In Osmocescu's opinion, this point of the agreement entails definite obligations not only for Moldavia but also for Russia, which is acting as mediator in the talks between Chisinau and Tiraspol. Moldavia hopes for help from Russia and also from the CSCE, whose observers will most likely monitor progress in the fulfillment of the Moldavian-Russian agreement.

As for the negotiating process, the sides have not gone further than assurances of possible concessions. In the opinion of Grigoriy Marakutsa, chairman of the Dniester Region Supreme Council, the talks are getting bogged down on the constitutionally enshrined form of rule in Moldavia: "The Dniester Region will not join a unitary state." Chisinau will not except Tiraspol's version—an autonomous formation along republic lines in the region.

The first convoy will most probably not be leaving for Russia soon. But already today the question arises: Where will it go? Moldavia has declared its intention to participate in the construction of military camps and housing for officers' families. But no treaty on social guarantees has yet been signed. According to the 14th Army commander, as yet no one—neither Russia nor Moldavia—has invested a single ruble in this undertaking.

Moldavian Foreign Minister Mihai Popov stated at a press conference that all 14th Army officers will be granted the opportunity to serve in Moldavia's national army. However, such a proposal followed from the the Dniester Region authorities also. To whom officers will give their preference—half of them are inhabitants of the

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Dniester Region—if Russia does not guarantee them work and homes for their families is fairly easy to guess.

All the same, despite the chain of difficult problems trailing after the agreement signed on the 14th Army's withdrawal, many have heaved a sign of relief. Official Moldavia, whose demands have been satisfied; Russia, which has rid itself of accusations of intending to consolidate its presence in a "Balkans beachhead" by leaving a military base in Moldavia in the place of the 14th Army; and even the army itself, whose commander stated that "at long last the army has obtained a status, and no one will now call it an army of occupation." The only ones not satisfied with the situation, perhaps, are Tiraspol, which has always opposed the withdrawal of Russian troops from Dniester Region territory, and the Chisinau opposition, which, on the contrary, insists on the rapid acceleration of the process and sees the extension of the withdrawal period to three years as appeasement to Moscow on the part of the Moldavian leadership.

Snegur Seeks 'Compromisory Solution'

AU3110193994 Chisinau INFOTAG in English 1812 GMT 28 Oct 94

[FBIS Transcribed Text] Chisinau INFOTAG, 28/10/1994—President Mircea Snegur stated that "supported by the CSCE, the Moldovan leadership is seeking for an adequate compromisory solution of the Dniester conflict. However, the Tiraspol leaders are showing their categoric intention to create a new state structure."

Meeting with the head of the European Union's Department for new independent states, Nicolaus van der Pas, Snegur said that "in their ambitious strivings the Tiraspol leaders violate economic, political and spiritual interests of the Moldovan population there, block the democratization of the socio-political life, and reforms in the entire Moldovan state."

Nicolaus van der Pas, who is on a familiarization visit in Moldova, passed to Snegur a message from the European Union's Chairman, Jacques Delors.

Mircea Snegur said the Moldovan leadership was ready to meet all commitments, including political ones, that would be upon the republic after signing the Agreement on Partnership and Cooperation between Moldova and the European Union. It is due to be signed on November 28.

Gagauzia, South Ossetia Sign Treaty

AU3110151494 Chisinau BASAPRESS in English 2145 GMT 28 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 28/10/1994—Vasiliy Neikovchin, press secretary of the Gagauz Parliament, told BASA that Pyotr Zavrichko, Comrat minister of foreign relations, has recently participated in the signing of the Friendship, Collaboration and Mutual Assistance Agreement between Gagauzia and South Ossetia. "The Gagauz republic has concluded friendship and collaboration agreements with the Moldovan Dniester republic, Abkhazia, and South Ossetia," said Zavrichko, adding that soon similar agreements with Nagorno-Karabakh, Tatarstan, Crimea and other states of the former Soviet Union will be signed. According to Zavrichko these states "are part of the union of unrecognized independent states." The self-proclaimed Gagauz republic, according to Zavrichko, has established collaboration relations in various fields of human activity with many regions of Russia, Turkey and Turkish Republic in Northern Cyprus."

Topal, Snegur Discuss 'Autonomy'

AU3110145294 Chisinau BASAPRESS in English 2145 GMT 28 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 28/10/1994—Stepan Topal, the so-called Gagauz president, attended yesterday's meeting between President Mircea Snegur and Comrat leaders. He stated exclusively to BASA that he does not understand why "the Moldovan Parliament is delaying in settling the Gagauz problem." According to Topal, "this intentional delay confuses both the Comrat leaders and Gagauz population." He added that the Chisinau leaders "try by all means to obtain Moldova's joining of the CSCE whose statute does not provide for the granting of autonomy." Snegur's position is not clear when he declares that he does not know why the Parliament has not adopted the "Gagauz-Eri" project, Topal said. "Nevertheless, the Gagauz side hope that the Parliament will not adopt the project at the beginning of November as it was promised yesterday under the circumstances when the CSCE national minorities officer Max Van der Stoel will arrive in Moldova by late November or early December." According to Topal, "the CSCE dignitary's visit will be devoted to the Gagauz problem examination and adoption of an autonomy project complying with international juridical norms."

Court Drafts Law to 'Rehabilitate' Communism

AU3110145494 Chisinau BASAPRESS in English 2145 GMT 28 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 28/10/1994—Today, the Parliament adopted the draft law on Accounts Court which will be set up within six months after the constitution adoption. The deputies discussed the modified law on "Rehabilitation of Victims of Occupational Totalitarian Communist Regime" from whose title words "Occupational" and "Communist" were deleted. According to Vladimir Solonari, of the Socialist Unity Faction, who presented a report on this draft said that these words were eliminated to avoid excessive politicization. Alexandru Mosanu, of the Peasants and Intellectuals Block, said that this modification aims at rehabilitating the

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occupational communist regime. In his opinion, this modification has no juridical support and denies the essence of the Soviet occupational regime thereby contradicting the Declaration of Independence which states that Bessarabia was forcefully occupied. He also said that the draft excludes the clauses on crimes committed by the communist regime. "Through this law, the parliamentary factions which promote it attempt to secure their followers who committed these crimes," said Mosanu, adding that it undermines Moldova's independence.

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Kazakhstan

Tokayev on Priorities of Foreign Policy

LD3110175594 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 22 Oct 94 p 1

[Statement by Foreign Minister Kasymzhomart Tokayev]

[FBIS Translated Text] The third anniversary of Kazakhstan's sovereignty is a good occasion on which to share one's thoughts on the republic's role and place in the modern system of international relations. One can say without overstatement that owing to the efforts of Kazakhstani President Nursultan Nazarbayev, Kazakhstan successfully joined the world structural system as a state that adheres to the commonly accepted standards of interstate relations and conducts a policy that rules out any element of confrontation or extremism.

The constructive nature of this foreign policy course has already produced tangible results. Whereas a year ago the priority was to safeguard Kazakhstan's external security and obtain corresponding guarantees from the leading powers, now there is every reason to say that new imperatives are assuming prime importance. The time is approaching for an "everyday" diplomacy aimed at developing the infrastructure for Kazakhstan's relations with other states. This conclusion is founded on concrete realities in the foreign policy sphere.

The Kazakhstan-Chinese declaration signed in October 1993 is of great importance for strengthening the independence of the republic. By signing this basic document Chinese President Jiang Zemin and Kazakhstani President Nursultan Nazarbayev really dotted the "i's" on the very important problem of Kazakhstan's security in its mutual relations with its great southern neighbor. China undertook treaty obligations not to use nuclear weapons against Kazakhstan, not to resort to force or the threat of force against it, and to respect its sovereignty and territorial integrity.

The democratic partnership charter signed at the highest level with the United States is also of great importance in this area. It is important that Kazakhstan's relations with Russia, too, have been regulated by a basic document, the treaty on friendship, cooperation and mutual assistance, which has served as the basis for a number of agreements and accords. Work to improve the legal framework of Kazakhstani-Russian relations is continuing.

The desired purpose of the first phase of Kazakhstan's foreign policy has thus been achieved through diplomatic moves. One can now say that it is in Kazakhstan's long-term interests to be more deeply involved in world affairs, and specifically to take an active part in regional and global processes and in the formation of international structures capable of promoting the consolidation of post-confrontation realities and of the supremacy of international legal standards.

At the same time, in order to safeguard Kazakhstan's strategic interests, our diplomatic effort must continue to have great scope for political maneuver and for developing relationships of democratic and constructive partnership, good-neighborliness and mutually advantageous cooperation with all countries. It is apparent that the distinguishing features of Kazakhstan's foreign policy should be principle and firmness in defending its fundamental interests, combined with flexibility in achieving its long-term objectives, as well as an equal mix of detachment, balance, and predictability. These characteristics represent the most appropriate match for Kazakhstan's geopolitical position. As a Central Asian state with obvious Eurasian characteristics, Kazakhstan must use foreign policy to strengthen its own positions and authority at global and regional levels. In this context the specific priorities of Kazakhstan's foreign policy are as follows:

Kazakh diplomacy should continue its policy of increasing cooperation with the so-called post-Soviet states. This policy can be conducted here at two parallel levels. First, it is necessary to develop ties on a bilateral basis. Second, it is important not to reduce activity aimed at transforming the Commonwealth of Independent States into a viable association capable of tackling major problems in order to increase the effectiveness of these countries' economies and improve cooperation between them.

It is necessary to proceed from the fact that the most efficient form of multilateral interaction in present conditions would be a Eurasian Union of states, as a deliberate expression of the desire of the countries involved seeking to use each other's potential for resolving essentially identical problems of the transitional period. The president's concept is an adequate response to the objective realities of the modern world, which is getting more and more involved in integration processes. The idea of a Eurasian Union is valuable because it has prospects and addresses the future. It is in unity not in division that the main path of the development of civilization lies. Implementing the initiative of setting up a Eurasian Union in no way entails the restoration of former relationships according to the "central and peripheral republics" scheme, in part also because the Eurasian Union is open for all countries seeking to strengthen their integration potential on a global level.

Speaking about priorities, it is necessary to emphasize the enormous importance of mutual relations with the Russian Federation. Here the factors of the mutual dependence of the economies, historical closeness, and demography are present. Both neighboring countries are "doomed" to good-neighborliness and cooperation. This cooperation should have an equal and mutually beneficial nature if we bear in mind the strategic purpose of strengthening common economic, defense, humanitarian, information, and educational areas. We also proceed from the fundamental premise that the democratic development of Russia is a necessary condition for

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the stable and secure development of Kazakhstan. The everyday specific work of Kazakh diplomats in the Russian direction is evidence of the fact that under conditions of mutual respect for the vital interests of the peoples of both states, the aims set can certainly be achieved. Kazakhstan's and Russia's friendly relations are a vigorous factor in the stabilization of the situation in an enormous part of the Eurasian area and a weighty contribution to global stability and security.

It is important to pay adequate attention to the development of integration uniting Kazakhstan with Uzbekistan and Kyrgyzstan in a common economic area. Besides strengthening bilateral cooperation with these countries, the task of making more active and effective the political and economic union, which can be the precursor of a wider and more powerful formation needs to be worked on.

One of the main priorities of Kazakh foreign policy is the development of mutual relations with the United States. It is necessary to bear in mind that after the collapse of the USSR the world situation underwent qualitative changes. Bipolarity as a geostrategic category has begun to lose its importance being replaced by multipolarity side by side with the strengthening influence and attraction of one field—the United States. Relations between Kazakhstan and the United States are one of the most important preconditions for the republic's harmonious entrance into the world community and strengthening its position in international political and financial institutions as well as gaining access to advanced technologies.

Alongside the current base of cooperation in the fields of security, defense conversion, science and technology, we are going to establish proper conditions for a full-scale implementation of the democratical partnership charter. The economy should play a substantial role in Kazakhstani and American cooperation. No one other than Washington could render effective assistance to Kazakhstan in mobilizing international financial assistance to stabilize the republic's economy on the macroeconomic level. Kazakhstan also has the right to hope for a more intensified involvement of the United States' private sector in its economy, as well as in cooperation in resolving the urgent ecological problems of Aral and Semipalatinsk regions. In this regard, Washington's decision on setting up a fund for the development of private enterprise in Kazakhstan gives grounds for certain optimism.

Our state should continue implementing the policy of developing balanced mutual relations with both European and Asian states. In this respect the European Union is of great interest from the point of view of long-term prospects, as in the near future it will speak on behalf of the whole of Europe in relations with the countries of other regions. The planned signing of an agreement with the European Union will certainly facilitate Kazakhstan's integration into the system of political and economic mutual relations on the European level. The European Community opens up broad possibilities for Kazakhstan in the sphere of science, education, and culture.

As regards bilateral relations, Germany and France are particularly noteworthy among the European countries. But this does not rule out further development of relations with other countries in Europe.

In Asia, relations with China will continue to be of great importance. Cooperation with this power is important not only from the point of view of creating favorable external conditions for Kazakhstan's internal transformations but also in the light of the dynamics of processes taking place in Europe. In the view of United Nations and other authoritative experts, it is precisely this region that will determine the progress of the world's economic (and possibly political) development in the next century. One cannot avoid the fact that if China can maintain domestic stability and curb separatism in its ethnic minority regions, it will be able to make substantial changes to the arrangement of forces within the structure of international relations.

Proper impetus should be given to cooperation with Japan. The joint declaration signed by Nursultan Nazarbayev during his visit to Tokyo in April this year provides reasons to hope relations will develop effectively. This document noted the similarity of the Kazakh and Japanese positions on a whole range of international problems. In particular, Almaty and Tokyo have identical points of view on bringing the United Nations structures into line with modern geostrategic realities. That means that as a power that makes a great contribution to global stability, Japan has the right to count on membership of the UN Security Council. Major investment projects and coordination in the international sphere are now on the agenda of Kazakh-Japanese relations.

In southern Asia, Kazakh diplomats are going to increase their efforts to develop mutual relations with India and Pakistan further.

As a result of a number of foreign policy moves, specifically the president's visit to Thailand in June 1993 and the foreign minister's visit to Malaysia, Singapore, and Indonesia, relations with the key countries of the southeastern region have undergone considerable qualitative changes. Only a little late, Kazakhstan has "infiltrated" these countries, which are going to occupy an important place in our republic's foreign policy. Kazakhstan will undoubtedly reap substantial dividends in terms of economics as well as in terms of consolidating its position in the Asian-Pacific region, providing the appropriate measures are taken to develop cooperation with these countries. Nazarbayev is scheduled to visit South-East Asia in the first half of next year.

Balanced relations with the two Koreas are an important area of Kazakh diplomatic policy. Economic relations with Seoul look very promising. The level of political

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dialogue with this country is to be raised in the near future. At the same time it is necessary to continue to pay proper attention to the development of friendly relations with North Korea, which plays an important role in contemporary geopolitics.

Kazakhstan's foreign policy will continue to focus attention on the key countries of the Middle East region. The president's recent visit to Saudi Arabia can be described without exaggeration as a Kazakh diplomatic breakthrough to the Middle East. The agreements that were signed and the accords that were achieved hold out hope that relations will develop favorably, which could result in effective economic assistance for Kazakhstan. Mutual relations with such an authoritative country as Egypt will also promote the consolidation of Kazakhstan's position in the Middle East. In addition, expanding the scope of our diplomatic effort in this region is now a prime task. Efforts are to be made to increase cooperation with the Gulf states, Morocco, Syria, and Tunisia in a manner that benefits Kazakhstan.

Kazakhstan's relationship with Turkey will evidently be of continuing importance. This conclusion was confirmed by Nazarbayev's recent visit to Ankara. As diversification of Kazakhstan's international relations take place, so Kazakh-Turkish cooperation will inevitably undergo appropriate changes. The forms and methods of trade and economic relations will be developed with a view to enhancing their effectiveness. It should be borne in mind that Turkey is important for Kazakhstan as a channel of transport communications, as an outlet to the sea, and as an effective instrument for promoting Kazakhstan's interests in international organizations, especially NATO.

As far as Iran is concerned, it too will occupy an important place in our international policy as a promising market for Kazakhstan and as an alternative route for the republic to gain access to world communications.

Kazakhstan's diplomatic policy must be directed toward the strategic objectives of strengthening its economic potential. The role of international organizations is increasing. Effective efforts are to be made to develop mutual understanding and cooperation with prestigious organizations such as ESCATO (for socioeconomic development in the Asian-Pacific zone), UNEP (on environmental protection), PROON (a development program for UN members), VOZ [as transliterated] (healthcare), and others. There are significant educational, cultural, and media opportunities for the republic to derive from cooperation with UNESCO [UN Educational, Scientific, Cultural Organization]. Active participation in the United Nations' operations must continue, given the priority place that Kazakhstan assigns international organizations. It is this specific international organization that represents a window onto world politics for Kazakhstan, and accordingly guarantees that the republic will be drawn irreversibly into the geopolitical process.

We have a great deal of work to do within the framework of the Conference on Security and Cooperation in Europe. Now that it has assumed the obligations laid down in the Helsinki Final Act and the Paris Charter for a New Europe, Kazakhstan must make an appropriate contribution to developing these basic documents on the European process.

At the same time, the foreign policy service will continue pursuing the idea of convening a continental forum on coordination and confidence-building measures in Asia. Although this idea is circulating and being worked on in a number of Asian countries and groupings, Nazarbayev's initiative is nevertheless acknowledged as being Kazakhstan's sincere desire to contribute to Asian stability and security, and thus as an integral part of its foreign policy.

This, in brief, is how the priority areas and tasks of our state's foreign policy are viewed. There is no doubt that the success or failure of Kazakhstan's diplomatic work is, to a decisive extent, directly tied to the economical situation in the republic. At the same time, foreign policy is not a hostage to domestic policy given that it, too, possesses effective mechanisms for promoting reforms in the country. Now that Kazakhstan has entered the decisive phase in its development, foreign policy should be regarded as a natural and inseparable part of the process of building up the state, for it is an absolute truth that sovereignty is inadequate and vulnerable without appropriate diplomatic activity.

Firm Action Taken Against Transportation Bribery

LD0111115594 Almaty Kazakh Radio Network in Kazakh 0200 GMT 1 Nov 94

[FBIS Translated Excerpt] A meeting of the Internal Affairs Ministry Presidium, chaired by the minister, Bolat Bayekenov, was held yesterday. Strict measures were taken against the personnel of the State Automobile Inspectorate. About 41 out of 66 cases of bribery were committed by these people since the beginning of the year. [passage omitted]

The heads of the internal administrations of Zhambul, Zhezhkazghan, Karaganda, Turgay, and Akmola oblasts were reprimanded. The head of the internal affairs department of Moyunkum rayon in Zhambul oblast was fired.

Tajikistan

Cyprus Bank Involved in New Tajik Commercial Bank

LD3110142294 Dushanbe Radio Tajikistan Network in Tajik 0600 GMT 31 Oct 94

[FBIS Translated Text] The Central Asian Bank, a Cypriot-Tajik commercial bank which is the first of its kind in Central Asia, has been registered in Dushanbe. It

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is funded in part by the Tajik Government. The National Bank of the republic has granted it permission to carry out banking transactions in both rubles and foreign currencies. The bank's founders are, on the Tajik side, the Safar international industrial investment holding group, and on the Cypriot side the BB Kobu Bank, one of the 100 largest banks in the world, and the SBM Holding Company.

The chairman of the board of directors of the Safar international holding group, Alisher Tojiyev, told a KHOVAR NEWS AGENCY correspondent that the main areas of the bank's activity will be to provide funds for mining operations and excavations, participate in setting up an international consortium to complete the construction of the Rogun hydroelectric power station, and finish technical work at the Nurek hydroelectric power station, complete technical work at the Tajikistan Aluminum Plant, and fund the implementation of a state program for the construction of Dushanbe-Khodzhend and Murgab-China highways.

Foreign capital investment programs have been prepared in the fields of healthcare, light industry, food production and, communications.

For the first time in Central Asia, the share of initial investment by foreign countries has passed the halfway mark, reaching 60 percent. This will provide foreign banks, financial institutions and companies, primarily the European Bank for Reconstruction and Development, with assurances about their investments in Tajikistan's economy.

Presidential Candidate's Election Manifesto

I D2810191194 Dushanbe NARODNAYA GAZETA in Russian 19 Oct 94 p1

["Election Manifesto of Presidential Candidate Abdumalik Abdullojonov"]

[FBIS Translated Text] "A new stage in the life of Tajikistan is coming. And there is no more important and noble task than to unite the people and direct its efforts and talent to overcoming the burdens of today and achieving a decent future ..." A. Abdullojonov

The Republic of Tajikistan, striving for independence, faces large-scale problems, which can be resolved only by its peace-loving and talented people. Today we are at a historical crossroads and facing a choice for which we shall be responsible to our children and following generations.

As a result of the civil war our society was split and its destructive consequences are still painful and are keeping people in a state of deep depression and uncertainty about the future.

In these extraordinary conditions every citizen should make his choice, define his position, and direct all his potential to achieving calm and peace in Tajikistan. It is necessary for us all to give up past resentments, unite and start creative work in the name of the future prosperity of Tajikistan. The tragic developments in our land do not leave us time for pondering or disputes about how to put Tajikistan in order - the time for actions has come and I have made my choice.

Politics is the reflection of the people's interests. The complicated social and political situation which still exists in the republic requires a number of specific steps which are understandable to people to be taken to settle our internal conflict. The way to civil accord lies through direct and candid dialogue with the constructively minded section of the opposition; there is no alternative. This process must be carried out with the support and direct participation of representatives of the United Nations, CSCE, United States, Russia, and Uzbekistan. The basis for the dialogue must be the understanding that national reconciliation and constitutional reform are two sides of one coin.

The constitution must become a reliable foundation for us and serve the interests of the people and the development of Tajikistan. Under the conditions of the new political realities a professional parliament is absolutely essential for us. Not a single law must be adopted without constitutional discussion taking into account the interests of all the regions of the republic and various social strata of society. It is through the development of political culture and mutual respect that national unity and accord can be achieved. Giving equal rights to participate in the social and political life of Tajikistan to representatives of all the regions, ethnic communities, and political parties and movements will facilitate the overcoming of regional and interethnic centralist tendencies. For this purpose it is necessary to provide the legislative basis for freedom of political parties, social and political movements and the media in conformity with international law. The president should be a genuine guarantor of these liberties. Moreover, the adoption of the constitution, which ensures the balance of interests in society, will allow the creation of an atmosphere of trust and create the conditions for a genuine cessation of hostilities and for the return of refugees from the far and near abroad, and will create the prerequisites for starting the process of mass disarmament under the supervision of the command of the collective peacekeeping forces.

From discord to unity, this is our goal, our chance to preserve Tajikistan's statehood.

The urgent task of the present time is to begin an uncompromising fight against crime which has literally overflowed into all the spheres of our society's life, resulting in the violations of labour, industrial and economic discipline that has brought chaos everywhere. I see the solution of these problems in implementing an extraordinary state programme which will be directed towards eradicating the cult of brute force and legal arbitrariness, and at introducing elementary order into

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all spheres of the state's life. It is time to reform the structures of law and order and, in particular, to set up an investigation committee which will be subordinate directly to the president of the republic. Every citizen of Tajikistan should be convinced that he has the right of personal immunity, sanctity of the home, freedom of movement and protection of his honor and dignity. The extraordinary crime-fighting program will be based on strengthening responsibility for committing crimes, raising the professional level of the personnel of the bodies of law and order and the armed forces, and increasing cooperation with the corresponding structures of Russia, Uzbekistan, Kazakhstan, Kyrgyzstan and other countries. A man in military uniform should not arouse anxiety but a feeling of security and protection.

A regional policy based on the principle "Tajikistan is our common home" is a particular priority in overcoming the political crisis. This main principle can be realized by renouncing any signs of nationalist extremism, chauvinism, regional separatism and national, religious or linguistic discrimination against citizens. The future of Tajikistan is in its ethnic diversity, which can be preserved and developed by constitutionally establishing dual citizenship within the framework of bilateral state agreements and by granting official status to the Russian and Uzbek languages, along with the state language, Tajik (Farsi).

It is necessary to put an end to the wrong practice of choosing and appointing people to high positions on the basis of their individual leanings and the region they are from. Professionalism and competence must be the basis of our new personnel policy. The leadership of state bodies and local government should be chosen from the most suitable representatives of all regions and nationalities without exception. It is necessary to create the conditions for actively attracting women to work in high state posts. We must stop the endless discussions of and running down the qualities of the former leaders once and for all, and take everything valuable from their experience of working for the welfare of the republic, as all civilized nations do.

Tajikistan's development is impossible without determining strict priorities in foreign policy. Political self-isolation for Tajikistan is a path without a future. It is necessary to be realistic and understand that Russia and Uzbekistan will remain our key partners. Our foreign policy strategy should be constructed so as to maintain the balance of our interests, and thus develop and deepen our historically proven links. One should be fully aware that our relations with Russia, Uzbekistan and the other countries of the CIS greatly determine the political and social economic situation in Tajikistan. It is necessary for us to determine our position clearly and show by our actions that we are not only reliable partners and desirable neighbours, but also strong supporters of the integrationist processes in the CIS.

Economic expediency, openness, and the observance of generally accepted international norms of cooperation without priority for any country on the basis of ideological, ethnic or religious grounds will be the main principle of our foreign policy concerning countries of the far abroad.

Our foreign policy strategy will be constantly adjusted on the basis of current tendencies in the development of worldwide tendencies. Our diplomacy will take into account the opinion of the UN, CSCE and other authoritative organizations.

The political bloc's tasks stated above are immediate and urgent. They meet the people's interests and give Tajikistan a real chance to overcome the drawn-out crisis and renounce totalitarianism and the curtailment of democracy. Our ideal is a free society where everyone has equal opportunities, where human rights and freedom are recognized and guaranteed, where the values, which are common to all mankind, are the basis of life.

The unfavorable development of the economic situation in Tajikistan has brought people to the brink. This has been caused by quite a number of factors, among which are the disruption of economic ties, payments problems, the destructive consequences of the civil war and natural disasters, the mass nonpayment of wages to the population as well as the country's leadership's lack of political will to implement economic reforms.

In the conditions which have arisen any attempts to return to an economy based on the administrative-command system are intolerable and ruinous for Tajikistan and directed against its people. The people of Tajikistan deserve a better life. It is on this that I base my understanding and vision of the tasks involved in getting the country out the deep economic crisis.

Every effort should be made to support people at this difficult time and tackle three urgent tasks: the provision of people with bread and heat, overcoming the energy crisis which is so destructive for the economy and halting the decline in production. This can be done with the help and economic support of Russia, Uzbekistan and other countries and a targeted reorientation of the republic's export potential and the structural reconstruction of our ineffective economic system.

I regard the present situation of wages payments in the republic as not only humiliating to the people but immoral too. The state's liabilities, unprecedented in scale, in paying the population's salaries and other such payments has not only undermined the government's credibility but has become fertile soil for a sharp rise in crime and corruption. The solution to this vital problem lies not in endless negotiations on allocating cash and non-cash credits, but through taking a number of mutually agreed solutions directed at genuinely bringing the economic systems of Tajikistan, Russia, Uzbekistan and other CIS member-countries closer together.

I am talking about improving the export-import, customs, tax and trade procedures. The economy must be

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adapted beforehand in a way which will enable us to have a real opportunity to receive appropriate support from international monetary and financial organizations (the International Monetary Fund, the World Bank for Reconstruction and Development, the European Bank for Reconstruction and Development and so on) as well as from our partners, and first of all from Russia, Uzbekistan and the United States. Along with this the state's liabilities to pay wages, pensions, benefits and grants to the population should be undoubtedly settled. I am a realist and I think that this problem must be resolved by directly paying off current debts to the population and converting the rest of the state's debts, including frozen deposits in savings-bank and internal loans, into special payment checks, which give citizens the right to make settlements in the process of privatizing state property. Fulfilling commitments to the population is not only the moral duty of any government, but a matter of trust and support from the people as well.

A strategic line of economic reform is the proclamation and protection of private ownership which is a natural human right. Only personal interest, enterprise, and constitutional guarantees of the equality of all forms of ownership are the key factors for taking Tajikistan's economy out of the crisis.

It is necessary to create the conditions whereby every person and collective can become the owner of their property with full rights over it, including land and the produce grown on it. I propose as the basic mechanism for privatization open share issues which allow the redistribution of state property fairly quickly and effectively, ensure the population has equal and free access to participate in privatization, create favorable conditions for actively attracting and protecting the rights of investors from the far and near abroad and form a fully-fledged securities market.

Through support for strategic important state economic sites, the development of private ownership and the liberalization of Tajikistan's economy it is necessary to ensure the establishment of market relations and stimulate and support healthy competition. Monopolism in the economy and corruption in state power structures - this is the painful legacy of the centralized command-administrative system. Only through creating a highly competitive environment and the conditions for the free movement of goods and labor resources can the crisis be overcome and Tajikistan's economy developed further.

The most important elements in overcoming the economic crisis are sensible financial, monetary, credit and tax policies. In conditions of a total collapse of production and the necessity of stabilizing the economy it is impossible to fight a war and to create at the same time. If we choose creation, which is what the people aspires to, it is necessary to reject economically groundless financial support for ineffective enterprises in the state sector. All regions will be given equal rights to implement a full local budget and independently solve their socio-economic problems. The scheme for planning the state budget will be introduced within the framework of today's realities and based on the understanding of the necessity of reducing the budget deficit to at least to 10 percent of GDP and of supporting the requisite level of the national systems for ensuring vital needs. This is a serious step, however it depends on this whether we will be able to restrain inflationary processes and find the necessary resources for rebuilding the housing and economic sites which have been damaged during the military confrontation, and also support and develop social security programs for the population in the conditions of the transition period.

The tax and customs policies conducted recently suit neither the entrepreneurs of our country nor foreign investors. The high and constantly fluctuating tax rates and customs duties, the so called "extraordinary" budget, depress working activity in the sphere of production of goods and services and hold back the influx of foreign investments utterly essential for the economy. I am convinced that the task of increasing production volumes and increasing the competitiveness of goods that are being produced is solved not through numerous government resolutions and instructions but by the direct interest of producers and by expanding their economic freedoms and rights when making management decisions. To this end it is necessary to eliminate the unjustified state dictate in relation to producers, to abolish all the unfounded limitations on the export of capital, goods (labor, services), to create a free exchange market, to cancel the economically unsound state order and to provide conditions when national needs are met via a civilized system of contracts between the government and producers.

The implementation of the tasks which have been laid down is naturally possible only with the creation of the necessary legal conditions and guarantees. Lately legal arbitrariness has increased, when any ministry, department or local authority body takes all the directive, control and command functions upon itself, and this must be firmly stopped. I am convinced that the structure of bodies of state executive power must be cardinally changed. It should be made more effective, compact and managed. Executive power is strong not through the number of ministries or departments but its ability to act in people's interests. Hence entrepreneurs and everyone engaged in the production of goods and services will be reliably protected against the bureaucrats' tyranny at any level. The state's supervisory functions will be implemented strictly in line with new legislation.

The efficiency of the economic reforms in Tajikistan will largely depend on establishing mutually beneficial relations with the far and near abroad. I believe that each of the states of the former USSR has the right to conduct economic policy, to protect its own interests. At the same time I am deeply convinced that the unified economic, technological and social space which was formed before

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1991 is common property and its collapse is not beneficial to any nation. The economically unsound quota and export license systems, the artificially erected border posts and customs houses are beneficial only to the representatives of shady business, corrupt officials and political careerists. Tajikistan's future is in the openness of its economy, in its active participation in the integration processes within the framework of the CIS, in establishing mutually beneficial economic contacts with all states and, in particular, with Russia and Uzbekistan, which play a specific role in our economic development.

The transition to civilised market relations is a complicated step-by-step process the implementation of which requires both specialists and the people as a whole to be trained. A considerable amount of investment in training and retraining personnel is needed to solve this problem. We hope to get support and assistance from authoritative international organisations and from countries with highly developed economies and first and foremost the United States, Great Britain, the countries of the Arab East and the Asian-Pacific ocean region.

Putting forward my manifesto proposals to reorganise the economy of Tajikistan I proceed from the basis that no changes whatsoever can be implemented if the people does not actively support them or take part in them. This is my position as a man and citizen.

The drawn out sociopolitical and economic crisis has sharply exacerbated social tension in society. To our shame the least protected sections of the population are in the most difficult situation - families with many children, intellectuals, doctors, teachers, pensioners, disabled people, orphans and young students. I believe that social policy must be completely changed and focused on supporting namely these sectors of the population, it must be directed at creating a decent standard of living for people. I am far from Populism and I do not promise to solve all problems immediately. I am convinced that people understand everything and often better than those sitting in the ministerial offices. That is why the social program must be worked out and implemented together with the people and in the interests of the people.

The solution of social problems depends to a considerable degree on the approach to forming the state budget. I am against "emergency" budgets, against unjustified expenditure on maintaining power structures. The expenditure listed in the state budget connected with the social sphere must be focused on the needs of citizens and be put unconditionally under their control. Every taxpayer must know exactly where his money goes and how effectively it is used.

If I gain the highest trust of the people my first steps will be directed namely towards working out and implementing economically feasible social programs and providing people with the minimum standard of living which is guaranteed by law. Special attention will be paid to supporting programs aimed at protecting motherhood and childhood, bringing disabled people to socially useful labor and to unifying the republic's current system of benefits and payments. The problems of unemployment will be tackled through structural reformations of the economy, broadening the private sector and changing the inflow of investments. These measures will not only provide new jobs but give citizens the possibility of starting their own businesses. It is necessary to create all the conditions for the protection of the rights and interests of citizens who are living and working outside Tajikistan. A new approach must be taken to the matters of the medical services and pensions. It is necessary to expand the network of pension funds and medical services by strengthening state institutions and developing private establishments. Under conditions of restricted financial resources insurance elements in pensions and medical services should be introduced. People must have the possibility of taking their own decisions on matters connected to increasing their social security and raising the standard of living.

I am deeply convinced that the spirituality of the people has a special role in the development of Tajikistan. But we are facing the threat of the complete loss of the intellectual potential of the nation due to well-known factors of an objective and subjective nature. That is why there has to be an unconditional increase of the social status of intellectual workers: scientists, engineers, teachers, doctors, writers, artists and workers of culture. This issue will be solved by targeted and consistent wage reform. Intellectual workers must be proud of their work and feel that their knowledge and experiences are not rejected but used for the benefit of Tajikistan and its people.

The current system of free education must be retained and strengthened under the difficult conditions of the transition period and the necessary preconditions for new systems of education and training should be created. Education and training programs should be created on the basis of the harmonious combination of the latest world experience and national traditions. The most important priority in this sphere is the study of foreign languages and above all English. Tajikistan's development as a state directly depends on what education and training your children will have. This is why the children of peasants, workers, office workers and entrepreneurs must have equal conditions for obtaining education and satisfying their needs for professional and cultural growth. The support of gifted young people must be a permanent concern of the government and we will particularly emphasize it.

There is no future for Tajikistan without the development of science. However, the organizational and financial principles of scientific activities must be changed. Competition between science schools, freedom to choose areas of research and the right to equal access to sources of financing will serve as the foundation for this. Those

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who make the most significant contributions to developing science and technology will be encouraged via targeted program principles of organizing scientific research.

I believe you will agree with me that recently the cult of brute force, profit and lack of spirituality are forcing the values that are common to all mankind and culture more and more out of our life. Our aim is to change this dangerous tendency and ensure that mutual respect and careful treatment of the historical and cultural heritage of all the people and ethnic groups who live in Tajikistan and of their traditions and customs becomes the standard of our everyday life.

As a religious man I consider that religion has a special role in society. However religion, as an integral part of spiritual culture, must not be used as a weapon for achieving improper purposes. Any religion is based on values that are common to all mankind and serves first of all for the spiritual development of society. We should fully realize that this is the primary purpose and the main mission of religion.

In presenting my program as a presidential candidate I am not promising anything that I do not firmly believe in and which our people will not support. Remaining an optimist, I believe in the future of our homeland and will rely on those who sincerely desire to reach a decent life for their people.

These are the peasants and workers who in the economic conditions which have arisen are unable to realize their opportunities to the full and who do not receive appropriate payment for their work.

They are the scientific and creative intelligentsia, teachers and doctors, representatives from the service industry, the social and public recognition of whose work has been belittled and does not correspond to the requirements of the present day.

They are soldiers, warrant officers and officers of the armed forces, workers of the bodies of law and order, of the ministry of security, the ministry of internal affairs and the prosecutor's office of the republic, who daily risk their lives for the sake of our tranquillity and who do not have guarantees of social support and security from the state.

They are heads of state enterprises and representatives from business circles, entrepreneurs who are oriented towards progressive management and production models but who do not have the necessary economic freedoms and opportunities for revealing their potential.

They are the youth which today needs state support and is the foundation for resolving the tasks of the economic and political renewal of Tajikistan.

They are women, mothers and sisters who face enormous difficulties but who are nevertheless bringing up children and keeping the family hearth warm.

They are people of venerable age, pensioners, war and labor veterans who, possessing huge life experience, are today in a difficult position and need attention and support. They are representatives from trade unions, public organizations, political movements and parties who aspire to establish peace in Tajikistan, civic harmony and progress.

A new stage is coming to Tajikistan's life. And there is no more important task than uniting the people, guiding their efforts and talent toward overcoming today's burdens and attaining a decent future for our own and following generations.

We have the same goals and tasks. Let us be one.

Provocations Feared During Elections

LD3110174394 Moscow INTERFAX in English 1556 GMT 31 Oct 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The campaign committee of candidate to the presidential post, Tajikistan's ex-premier and ambassador to Russia Abdumalik Abdullojonov sent a message on Monday to U.N. Secretary-General Butrus-Ghali, U.S. President Bill Clinton, Russian President Boris Yeltsin, Uzbek President Islam Karimov and other CIS leaders.

The authors of the document warn that the danger of a new spiral of civil war was threatening Tajikistan.

Abdullojonov's supporters believe that "the election emotions have reached their climax." They also assert that supporters of the other presidential candidate, the current head of state Emomali Rakhmonov, are "deliberately stirring anti-Abdullojonov moods, spreading false rumors and intimidating the citizens with threats" of reprisals and bloodshed, if Abdullojonov comes to power.

Given this, the campaign committee is asking for "assistance and measures to prevent the possible bloodshed."

Supporters of Abdullojonov do not rule out the possibility of provocations at the polling stations on November 6, when the presidential elections will be held, and pressure on the electors and members of the electoral commission. "Tensions are being deliberately fanned around the alternative candidate," says the document.

Making their point clear, the authors write that during one of the election meetings, Karimov, the chairman of the Council of the Khotlon Region (the south of Tajikistan) demanded that his supporters - the field commanders from among the members of the disbanded Popular Front, whose armed formations "are practically uncontrollably operating in the Khotlon region"— do

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everything they can to complicate Abdullojonov's election campaign, and boycott or foil his meetings with electors. Karimov also called for the restoration of the Popular Front for carrying out combat operations if Abdullojonov wins.

According to the campaign committee, the Interior Ministry is writing scenarios of a "campaign to discredit the alternative candidate." The message also says that the campaign committee is receiving numerous telegrams from electors in the Garm, Tavil-Dary and other regions, urging Abdullojonov to abstain from visiting these regions in the absence of security guarantees.

The campaign committee urged the U.S., Russia and Uzbekistan to send in observers and ensure the involvement of the CIS peacekeeping forces in Tajikistan in guarding the polling stations and creating conditions for safe and free elections.

Government, Opposition Sign Cease-Fire Accord

LD0111093294 Moscow ITAR-TASS World Service in Russian 0840 GMT 1 Nov 94

[FBIS Translated Text] Islamabad, 1 Nov (ITAR-TASS)— At the inter-Tajik talks held here, the official Dushanbe and Tajik opposition delegations today signed a temporary cease-fire agreement for three months.

It is well known that, under previous agreements, the warring sides formally ceased fire on 20 October, when the third round of inter-Tajik talks began in Islamabad under the aegis of the United Nations. Originally that cease-fire was to end on 6 November. Now that a new agreement has been signed, the cease-fire is to be extended until 6 February 1995.

The agreement was signed at a special ceremony held in the building of the Pakistani Foreign Ministry. The sides also signed a protocol on the creation and rules of operation of a joint commission to monitor the implementation of the agreement. The participants in the talks decided to hold their next meeting in Moscow at the beginning of December.

Terror Group Leader Arrested for Deputy Premier's Murder

LD0111104794 Moscow ITAR-TASS World Service in Russian 0847 GMT 1 Nov 94

[FBIS Translated Text] Dushanbe, 1 Nov (ITAR-TASS)—Law enforcement agencies in Tajikistan arrested the leader of a terrorist group on Monday [31 October]. He is suspected of organizing the murder of the republic's deputy premier Munavarsho Nazriyev, ITAR-TASS learned today from military sources. Yerov, the arrested man, was detained in Garmskiy rayon, in the eastern part of Tajikistan. Several confederates of the leader of the group were also arrested.

M. Nazriyev, deputy chairman of Tajikistan's Council of Ministers, who died on 20 October was on an official visit to Garmskiy rayon, where his official car was blown up by a mine near the village of Dzhafr.

Uzbekistan

Population Compensated To Offset Price Rises

LD3110192494 Tashkent Uzbek Television First Program in Russian 1400 GMT 31 Oct 94

[FBIS Translated Text] Edict by the president of Uzbekistan on increasing compensatory payments to the population of the Republic of Uzbekistan.

With the aim of maintaining the population's standard of living under conditions in which market prices for consumer goods and services are becoming established:

1. From 1 November 1994, the existing monthly compensatory payments to the population of the Republic of Uzbekistan are to be increased by 50 percent, from 100 to 150 soms;

2. The prescribed procedure and sources for paying the compensation are to be maintained;

3. Self-financing enterprises and organizations are to have 50 percent of the total compensatory payment of 150 soms recompensated out of the republican budget. This amount is to be excluded from income tax calculations with the state budget.

4. The Finance Ministry of the Republic of Uzbekistan, within a three-day period, is to make amendments to the temporary procedures for paying compensation arising out of this edict, and bring these to the notice of ministries, government departments, concerns, corporations, associations, the Council of Ministers of the Republic of Karakalpakstan, and the heads of regional administrations and Tashkent city;

5. To consider articles 1 and 6 of the edict of the president of the Republic of Uzbekistan issued on 31 August 1994 as null and void [these articles set the payment rate at 100 soms];

6. Supervision over implementing the current edict is to rest with the Cabinet of Ministers of the Republic of Uzbekistan.

[Signed] Islam Karimov, president of the Republic of Uzbekistan.

Homeland Progress Party Elects Chairman

LD0111103094 Tashkent Radio Mashal in Uzbek 1330 GMT 29 Oct 94

[FBIS Translated Text] Today the second conference of the Homeland Progress Party took place. The meeting was opened by Anvar Yuldashev, the acting chairman of the party. The first secretary of the party's central council, Shavkiddin Jorayev, made a speech on the first question on the agenda—electing the chairman of the party. Anvar Yuldashev and Sadulla Otamurodov made speeches on the party's pre-election tasks. Measures to put forward candidates for the Supreme Assembly of the republic were planned.

Anvar Yuldashev was elected as the chairman of the Homeland Progress Party.

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Azerbaijan

Aliyev Meeting With Butrus-Ghali Detailed

NC3110215894 Baku TURAN in English 0848 GMT 31 Oct 94

[FBIS Transcribed Text] Baku (October 30) TURAN—Today after noon the UN Secretary General, Butrus-Ghali, met with the Azeri President Aliyev.

Elimination of external military aggression is the most difficult problem of Azerbaijan, President Aliyev said. He mentioned that over six-year-old war, 20 per cent of Azeri territories, including Nagorno-Karabakh, have been occupied. More than million people fled occupied territories. President Aliyev added that refugees problem deteriorates economic and political situation in the country.

President Aliyev noted that Armenia achieved military success due to external support. Azeri President said that the UN SC [Security Council] adopted four resolutions related to the Armenian-Azerbaijani conflict, however Armenia did not abide with those resolutions. "Such violation of international norms still remains unpunishable", Azeri President said.

President Aliyev said that Azerbaijan is for settlement of the conflict within the framework of the CSCE. He also mentioned that conditions for achievement of peace and completion of war are unconditional and total withdrawal of Armenian troops from Azeri territories, including Shusha and Lachin cities. "Only after that we will be ready to discuss political status of Nagorno-Karabakh and make appropriate steps", Azeri president said.

President Aliyev mentioned that security of all the citizens of the region must be guaranteed. "Demographical situation in Nagorno-Karabakh must be also restored", Geydar Aliyev added.

Butrus-Ghali said that the UN position concerning this problem is reflected in four resolutions of the SC, which are based on four principles "observation of territorial integrity, inviolability of state borders, inadmissibility of violent seizure of territories and unconditional and immediate withdrawal of all troops from occupied territories. He said that the United Nations supports the activity of the CSCE and will back up efforts of the Minsk Group as well.

"We welcome efforts of Turkey, Russia and the United States, which are aimed at solution of the conflict and we are ready to coordinate these efforts", Butrus-Ghali mentioned.

At the end of the meeting President Aliyev and Butrus-Ghali responded the journalists' questions on the briefing.

The journalists reproachfully said that the UN resolutions are not implemented and measures towards the aggressor are not taken. However, Butrus-Ghali said that his position in the Armenian-Azerbaijani conflict, which is based on four above-mentioned principles, remains immutable. He said that the duty of the UN Secretary General is to inform the SC, which adopts the final resolution. He said that "while adopting resolution, different political interests can conflict with each other in the Security Council, and this fact exerts influence on the character of the adopted resolution".

Butrus-Ghali also said that all UN humanitarian and economic structures strengthen their assistance to Azerbaijan.

President Aliyev said that he is satisfied with the fact the UN Secretary General acknowledged stability of international principles in settlement of the Armenian-Azerbaijani conflict. He said that Azerbaijan waits and insists on total and unconditional withdrawal of Armenian forces from Azeri territories and millions of refugees' home-coming. "We hope that during his visit to Armenia, Mr. Ghali will make efforts to solve these problems".

Visit Called 'Fruitful'

LD3110162994 Moscow ITAR-TASS World Service in Russian 1437 GMT 31 Oct 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Translated Text] Baku, 31 October—President Geydar Aliyev of Azerbaijan called the three-day visit to the republic by UN Secretary-General Butrus-Ghali altogether fruitful.

"Throughout the three years since independence, Azerbaijan has constantly sensed the concern and attention of the UN and this visit was another manifestation of that," the head of state noted. "We are proceeding along the path of building a democratic, law-governed, and civilized state in which the rights and freedoms of the individual and political pluralism will be guaranteed," he said. He believes that this fully meets the interests of the Azerbaijani people and will help to integrate the country into the world community.

The talks with Butrus-Ghali confirmed that specific steps will be taken to bring the six-year-long Armenian-Azerbaijani conflict peacefully, to ensure the territorial integrity of Azerbaijan and to establish calm and stability in the region, the president noted.

The Secretary-General spoke of the firmness of the principles with which the UN approaches the settling of this conflict—observance of the territorial integrity and inviolability of the borders of Azerbaijan, the inadmissibility of the violent seizure of its territory and the withdrawal of all occupying forces from Azerbaijani soil, said Aliyev.

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He gave an assurance that Azerbaijan would strive to maintain the five-month cease-fire in the conflict zone, while at the same time making efforts toward the signing of a major peace treaty in this period. He said that the Azerbaijani side's terms were "simple and fair": Armenian armed formations should unconditionally leave the occupied territories, including Shusha and Lachin, to which over a million Azerbaijani refugees should return. Only on those terms is long-term peace possible in the region, stated Aliyev.

Aliyev on Peace With Armenia

NC0111041594

[FBIS Editorial Report] Baku Azerbaycan Radio Televiziyasi Television Network in Azeri at 1636 GMT on 31 October broadcasts a recorded report on UN Secretary-General Butrus-Ghali's visit to Azerbaijan.

After reporting his visit to Baku University, where he received a honorary decree, the television repeats a broadcast of Butrus-Ghali's hour-long address to the National Assembly. Ghali speaks on the United Nations' work and activities since its foundation. He says one UN activity is to supervise elections and notes that the chairman of the Azerbaijani Parliament, Rasul Guliyev, asked him to help Azerbaijan "in the preparation and supervision of the next elections in July 1995." He promises UN support for Azerbaijan in solving its problems.

Addressing the National Assembly after Butrus-Ghali, Azerbaijani President Geydar Aliyev says he considers Butrus-Ghali's visit to Azerbaijan as a sign of concern and respect for independent Azerbaijan and its people. Aliyev praises UN activities and the work of Butrus-Ghali.

Aliyev then goes on to say: "The Azerbaijani people will never forego their national independence and the Azerbaijani Republic will steadily consolidate and further its state independence. We have often declared, and today I would like to state and declare it in the presence of the UN secretary general, that the Azerbaijani Republic acts, and will act, on the basis of democratic principles in its domestic and foreign policy and will try to occupy its deserving place in the world community. We are working to create a democratic and legally based state in independent Azerbaijan, a democratic, legally based civilized society in Azerbaijan; to introduce human freedom, freedom of speech and conscience, and political pluralism in Azerbaijan; and to develop a free market economy. I am sure this strategic path of ours conforms with the interests of the Azerbaijani people and is the road that links the Azerbaijani people with the international community and economy."

Referring to attempts by "foreign forces" to destabilize the situation in Azerbaijan, Aliyev says the destruction of the forces that attempted a coup d'etat at the beginning of October and the national solidarity displayed by the Azerbaijani people showed that "no one can undermine the Azerbaijani people's independence, that the Azerbaijani people can and will continue to defend their independence and statehood, and that the Azerbaijani people will walk on the path they have chosen with even greater resolve."

Stating that the Azerbaijanis are facing major problems and "deep economic and social crisis" and that over 1 million citizens are refugees, Aliyev says Azerbaijan will overcome all these problems. He says the "most pressing and difficult issue in our life is to extricate Azerbaijan from war and stop the military aggression against Azerbaijan." Stating that these issues were discussed in detail with Butrus-Ghali, Aliyev says: "I am very pleased with these talks and am hopeful that, afterward, steps will be taken to deliver Azerbaijan from Armenia's aggression, bring peace, stability, and security to Azerbaijan, and safeguard Azerbaijan's territorial integrity."

Aliyev goes on to say that, unfortunately, Armenia is not implementing the UN Security Council resolutions. Despite this, he adds, the United Nations and Butrus-Ghali will continue their efforts in this direction. Aliyev says that during talks, Butrus-Ghali reiterated that the principles found in the Security Council resolutions are unalterable and the United Nations will continue its activities in keeping with these principles. Aliyev says: "These principles are: The safeguarding of Azerbaijan's territorial integrity, the inviolability of its borders, the preservation of Azerbaijan's sovereignty, preclusion of one state from forcibly occupying another's territory, and the unconditional withdrawal of the Armenian Armed Forces from the occupied Azerbaijani territory. Butrus-Ghali stated repeatedly that these principles are unalterable and that they will continue their activities on the basis of these principles."

Aliyev adds: "Azerbaijan has always pursued a peace-loving policy and will continue to take every step so that this policy reaches its conclusion, the war ends, and peace, stability, and security are created in our region. That is why we will continue to make productive use of all the means of the international organizations, the activities of the United Nations, the means of the CSCE, of the mediatory activity of the CSCE's Minsk Group, and the means represented by the initiatives of different countries, of the activities of the United States, Russia, Turkey, and, particularly, Russia's mediation effort of late. As a result the war between Armenia and Azerbaijan has been at a halt for over five months, that is, a cease-fire regime has been created. We are working to maintain the cease-fire. We will remain true to our promises and will continue to maintain the cease-fire regime. We consider the conclusion of the great political agreement during the cease-fire period as imperative and appeal to all the international organizations in this direction. Our conditions for ending the war and creating a long-term and reliable peace are clear and just: The Armenian Armed Forces should withdraw from the occupied Azerbaijani land, the Azerbaijani Republic's

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territorial integrity should be ensured, and the citizens of Azerbaijan should return to the occupied rayons, that is, they must return to their own homes and places. And in this regard the Armenian Armed Forces should also withdraw, particularly from Lachin and Shusha Rayons. While resolving these issues the status of Nagorno-Karabakh and the safeguarding of the security of the Armenian population there should also be discussed. All these problems should be solved simultaneously. If these are all solved simultaneously then we can achieve a long-term and reliable peace. I note: For us the main condition is the unconditional withdrawal of the Armenian Armed Forces from the occupied land and the return of over 1 million Azerbaijani refugees to their own homes and places of residence. I hope the United Nations and its secretary general, Butrus-Ghali, will extend every support to the Azerbaijani people on the basis of our talks here."

Aliyev then goes on to praise UN humanitarian activity in Azerbaijan and asks Butrus-Ghali to take measures to provide additional humanitarian assistance.

The report concludes at 1819 GMT, noting briefly that the UN secretary general left Azerbaijan today for Georgia.

Concludes Visit to Azerbaijan

NC3110195894 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 31 Oct 94

[FBIS Translated Excerpt] The official visit of UN Secretary General Butrus-Ghali ended today. [passage omitted]

[Begin reporter recording] Before addressing the parliament, UN Secretary General Butrus-Ghali met with Rasul Guliyev, chairman of the Supreme Soviet.

The chairman of the parliament expressed the belief that the visit of the UN secretary general to Azerbaijan will put an end to the six-year war of occupation.

The sides exchanged views on the solution to the conflict. The new parliamentary elections were also discussed. Butrus-Ghali spoke on the democratic election system and the way to uphold it.

Later Butrus-Ghali spoke at the special sitting of the National Assembly attended by Azerbaijani President Geydar Aliyev, parliamentarians, and state [words indistinct]. He spoke on UN activity for the last 49 years and efforts made to secure peace and stability in the world. He said that for the young and independent Azerbaijani state to be a member of the United Nations is of historic importance. He noted that the United Nations is undertaking new mediation missions to serve peace and security in the world. [passage omitted]

Butrus-Ghali specifically noted internationally renowned statesman Geydar Aliyev's astute and far-sighted activity in the solution of independent Azerbaijan's problems. He recalled the valuable statements made by the Republic's president at international forums. Butrus-Ghali expressed his conviction that the ties between the United Nations and Azerbaijan will further develop. He wished success to the Azerbaijani parliament in the upcoming elections.

The Azerbaijani president addressed the session next. He said that he considered the esteemed guest's visit to our Republic as the result of concern about and respect for our people. He spoke in detail on the problems faced by Azerbaijan, which gained its independence at the cost of enormous difficulties and sacrifices, and on Armenia's aggression and its consequences. He presented concrete proposals.

At the conclusion of the session, Chairman of the Supreme Soviet Rasul Guliyev thanked Butrus-Ghali in the name of the parliamentarians. [end recording]

After concluding his official visit, UN Secretary General Butrus-Ghali left our Republic for Georgia today. [passage omitted]

Aliyev Attends Turkish President's Birthday Party

LD0111120694 Moscow INTERFAX in English 1045 GMT 1 Nov 94

[FBIS Transcribed Text] President of Azerbaijan Geydar Aliyev left on Tuesday [1 November] morning for a one-day unofficial visit to Turkey to attend the festivities on the 70th birthday of his Turkish counterpart Suleyman Demirel.

In a message of greeting to Demirel published in the Azeri press on Tuesday Aliyev expressed hope for the further strengthening of friendship and fraternity between the two states and nations.

The Azeri Foreign Minister Gasan Gasanov told INTERFAX that as the visit is unofficial, no serious problems are going to be discussed.

Meanwhile an aide of President Aliyev informed INTERFAX that the two key questions: Turkey's involvement in CSCE efforts to settle the Armenian-Azeri conflict and the route of a future oil pipeline from Azerbaijan to West Europe can hardly be overlooked during the meetings of Aliyev and Demirel.

The presidential aide said Turkey's participation in a possible peace-making operation in the Karabakh conflict zone is likely to be discussed.

As for the pipeline, he said the Azeri leadership thinks that the best route would be across Turkey to oil terminals on the Mediterranean.

Nakhichevan Official Grateful for Iranian Aid

LD3110211194 Tehran IRNA in English 1918 GMT 31 Oct 94

[FBIS Transcribed Text] Baku, Oct. 31, IRNA—Speaker of Nakhichevan's parliament, Namik Hassanov said the

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people of the autonomous republic will never forget the humanitarian assistance of the Islamic Republic of Iran.

Speaking to IRNA in Nakhichevan, he said the five-year economic blockade imposed on the republic by Armenia has crippled the economic situation in the region.

He said more than 90 percent of the economic units in Nakhichevan have been forced to close down due to shortage of energy and raw materials.

Nakhichevan is separated from the Azerbaijan Republic by a strip of Armenian territory, and as a result of the Karabakh conflict, has had to keep its connections open with the mother republic through Iranian territory.

Hassanov appreciated Iran's goodwill gesture to allow cargo trucks of Nakhichevan and Azerbaijan republics to pass through Iranian territory.

He also thanked Iran for providing 250 million kilowatts of electricity to Nakhichevan and said the lack of electricity would have been catastrophic for the autonomous republic but for Iran's help.

Hassanov said Nakhichevan has reached separate agreements worth dlrs. 6 million with the Iranian provinces of Eastern and Western Azarbaijan, on the basis of which, it will get foodstuffs, refined oil and coal from Iran in return for gas oil and petrol from the Azerbaijan Republic.

Georgia

Butrus-Ghali Arrives for Talks With Shevardnadze

LD3110151994 Moscow INTERFAX in English 1453 GMT 31 Oct 94

[FBIS Transcribed Text] UN Secretary General Butrus Butrus-Ghali arrived in Tbilisi on Monday [31 October]. At the airport he was welcomed by Georgian leader Eduard Shevardnadze and Prime Minister Otar Patsatsia.

After a two-hour rest, Butrus-Ghali and Eduard Shevardnadze will meet in private (at approximately 4 p.m., Moscow time). After that the two men will be joined by members of the Cabinet of Ministers and parliamentary leaders. The two sides are expected to focus their attention on the final settlement of the Georgian-Abkhaz conflict.

On Monday evening, Butrus-Ghali is expected to grant a news conference in Tbilisi.

A meeting between the UN Secretary General and members of the Georgian parliament, a trip to the old Georgian capital of Mtskheta, as well as the talks with Prime Minister Otar Patsatsia and Foreign Minister Aleksandr Chikvaidze are scheduled for Tuesday.

On Wednesday, after the second meeting with Shevardnadze, Butrus-Ghali will leave for Yerevan.

In an interview with Georgian radio on Monday Shevardnadze stressed the great importance attached by Tbilisi to the visit. "The UN Secretary General is an active supporter of Georgia's territorial integrity. He helped the UN Security Council to pass 10 resolutions which may become a legal base for the conflict settlement," said Shevardnadze.

A spokesman for the Georgian Interior Minister told Interfax that the patrolling of Tbilisi streets had been enforced and demonstrations are banned due to the arrival of Butrus-Ghali.

Meanwhile, supporters of the late Georgian ex-president Zviad Gamsakhurdia intend to assemble in the center of Tbilisi.

Butrus-Ghali has already visited Baku and discussed with Azeri leaders the settlement of the Karabakh conflict.

Encounters Protests on Arrival

AU3110170794 Paris AFP in English 1637 GMT 31 Oct 94

[by Chris Bird]

[FBIS Transcribed Text] Tbilisi, Oct 31 (AFP)—UN Secretary-General Butrus Butrus-Ghali arrived Monday [31 October] in the Georgian capital as several hundred nationalist demonstrators protested against the Russian peacekeeping operation in Georgia recently recognised by the United Nations.

Arriving from Azerbaijan on his three-nation tour of the Transcaucasus, Butrus-Ghali was welcomed at Tbilisi airport by Georgian leader Eduard Shevardnadze and other senior officials before a meeting scheduled later in the day.

The UN representative to Georgia, Feodor Satrcevic, said Butrus-Ghali's visit to Georgia would concentrate on the peacekeeping operation in the breakaway republic of Abkhazia, which he claimed was "the main issue" for the secretary-general's visit to the Caucasus.

The United Nations has a large humanitarian aid presence and over a hundred military observers in western Georgia.

Over 250,000 Georgians fled the breakaway republic after the territory fell to Abkhazian forces in September 1993 following 13 months of fighting.

Shevardnadze agreed to a 3,000-strong Russian peacekeeping force, deployed last June, after the United Nations failed to provide one.

But opposition in Georgia to the Russian operation, ostensibly set up to aid the return of refugees to Abkhazia, is growing even amongst the government over the snail-pace—a senior official recently claimed at the current rate, it would take "over a hundred years" for the refugees to return to Abkhazia.

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A heavy security presence in central Tbilisi, in place for the Butrus-Ghali visit, prevented an attempt by a few hundred nationalist demonstrators including many supporters of the former Georgian President Zviad Gamsakhurdia to march down Rustaveli Prospect, the city's main street.

A militia officer said demonstrations in central Tbilisi had been banned recently by the city authorities.

At a protest meeting nearby, demonstrators carried placards declaring, "Russia's occupying forces to leave Georgia!"

Western observers say the United Nations recognition of the Russian peacekeeping effort goes against a long held United Nations precedent not to have neighbouring countries participating in peacekeeping operations.

A recent visit by U.S. Permanent Ambassador to the UN Madeleine Albright raised Georgian hopes once more of a UN peacekeeping force after she declared the Russian force a "stop-gap measure" and Butrus-Ghali will be under pressure from Georgian officials to provide such a force.

But few observers believe there is enough will in the UN Security Council, particularly as Russia has firmly insisted on overseeing such operations in its former colonies, to resolve to send a peacekeeping force.

"In losing Eastern Europe and the former Soviet republics, Russia has lost two layers of its traditional defence," said Georgi Nodia of the Caucasus Institute for Peace Development and Democracy, who claimed Russia now wants to regain at least its first line of defence through its retrenchment in the former Soviet republics.

Brief Meeting Held With Journalists

LD3110192894 Tbilisi IPRINDA in Russian 1800 GMT 31 Oct 94

[FBIS Translated Text] Tbilisi (IPRINDA) [no date as received]—Georgian Head of State Eduard Shevardnadze held a meeting with UN Secretary-General Butrus Butrus-Ghali this evening.

After the negotiations a brief meeting with journalists was held. At the meeting Eduard Shevardnadze assessed Butrus-Ghali's visit to Georgia as a historical event. He noted that Georgia constantly felt the concern of the United Nations. Butrus-Ghali said that the aim of the United Nations is to establish closer contacts with both Georgia and other countries and that we, stressed Butrus-Ghali, will do our best to assist the development of the economy, culture, etc.

When answering the question as to how the United Nations is going to resolve conflicts on the territory of the CIS, Butrus-Ghali answered that it was a prerogative of the Security Council. Touching on the Abkhaz issue, the secretary general noted that the UN was going to act even more actively in the settlement of the conflict, that Eduard Brunner, his personal envoy to the conflict zone, will resume talks that would take place between 14-18 November, and that experts from 26 countries would be sent to the region as observers, and that in connection with this issue, Butrus-Ghali hoped to receive consent from the Security Council.

Answering the question as to why during all negotiations on the separation of the parties and the withdrawal of armed formations the United Nations only recorded the withdrawal of the Georgian Armed Forces, ignoring the Abkhaz side, the secretary general answered that during the storming of Sukhumi there were no UN observers there. The head of the Georgian state noted that today's meeting with the journalists was a brief one and that a news conference by the esteemed guest will be held on 2 November.

Calls For More UN Observers in Abkhazia

AU3110193594 Paris AFP in English 1905 GMT 31 Oct 94

[FBIS Transcribed Text] Tbilisi, Oct 31 (AFP)—Visiting UN chief Butrus Butrus-Ghali called Monday [31 October] for more UN military observers to be dispatched to Georgia's breakaway Abkhazia region, while his Georgian hosts urged the deployment of a fully fledged UN peacekeeping force.

Speaking after a meeting with Georgian leader Eduard Shevardnadze at the start of a 48-hour visit to the troubled Caucasian republic, the UN secretary general told reporters: "I will try to obtain from the Security Council additional observers, but I will need another mandate this time."

Some 120 observers were already in place out of the mandated 136-strong mission, he said.

Georgian Foreign Minister Aleksandr Chikvaidze told AFP that Georgia wanted a UN peacekeeping force, but added: "We'd like to wait until the end of the visit (to make further comment) and then we will see."

Butrus-Ghali refused to be drawn on the peacekeeping force issue, but said he would submit a report and recommendations to the UN Security Council after the November 14 round of UN-sponsored Geneva negotiations on Abkhazia's future.

More than 250,000 Georgians fled the breakaway region after it fell to Abkhazian separatists a year ago following 13 months of bitter fighting.

A row between the two sides over the refugees' return has fueled numerous incidents in the past months, which the UN-mandated Russian peacekeeping force deployed in the border area has been unable to prevent.

Opposition is growing amongst Georgian officials to the Russian force, which was deployed last June, as many blame the rebel's success on their support by the Russian army.

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Georgian officials complain that if the present rate of return is maintained—only a few dozen Georgians have been able to go home—the refugee problem will continue to plague Georgian politics by the end of the century.

Outlines Conditions for Abkhaz Settlement

LD0111115994 Moscow INTERFAX in English 1045 GMT 1 Nov 94

[FBIS Transcribed Text] The UN Secretary General Butrus-Ghali has proclaimed the three principles of settling the Georgian-Abkhaz conflict: the territorial integrity of Georgia, the inviolability of its frontiers, and full observation of all Security Council resolutions for Georgia.

According to the press center of the Georgian Foreign Ministry, the statement was made by Butrus-Ghali who is now on a working visit in Tbilisi during his Tuesday morning meeting with Foreign Minister Aleksandr Chikvaidze.

The press center spokesman told Interfax the main subject of the meeting was the return of refugees to Abkhazia. The UN leader said he came to Georgia precisely to study the matter adding he would also look into the activities of the Russian peace-keeping force in the conflict zone. He refrained from any concrete evaluations of the situation in Abkhazia.

Draft Agreement Between Russia, Tbilisi Completed

LD3110163394 Tbilisi IBERIA in Georgian 1500 GMT 31 Oct 94

[FBIS Translated Text] Tbilisi, 31 [October]—A draft agreement on cooperation between Russia and Georgia approved by the Russian Federation Army's General Grachev, has been completed. The agreement envisages training Georgian officers in various military schools of Russia and Russia's active participation in supplying the Georgian Army with appropriate military equipment in exchange for deploying Russian military bases in Georgia.

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Estonia

Border Memorandum Signed With Russian Delegation

LD3110125194 Tallinn Radio Tallinn Network in Estonian 1300 GMT 31 Oct 94

[FBIS Translated Text] Parliamentary delegations of the Republic of Estonia and the Russian Federation met in Pskov [Russia] to discuss communication and economic issues concerning the people living on both sides of the current control-line. By the end of the meeting, a joint memorandum was signed in which representatives of both states expressed mutual interest in developing close cooperation between the parliaments, Vello Saatpalu, the leader of the Estonian delegation said.

The memorandum says that the primary tasks of negotiations are to reach an agreement on establishing simplified border crossing procedure for local residents, on visiting relatives, visiting graves of relatives and managing properties left on territories of the other state. To achieve these goals, cooperation between ministries and departments should be improved, access to archive documents should be simplified, and consular relations should be developed, the memorandum says.

The memorandum was signed for Estonia by Vello Saatpalu, the chairman of the Riigikogu foreign commission, and for the Russian Federation by Vladimir Lukin, the chairman of the State Duma Committee for International Affairs, and Vladimir Podoprigora, the chairman of the Federation Council Commission on International Affairs, ETA reports.

Tarand Not To Issue Cabinet List Before 3 Nov

WS3110155494 Tallinn BNS in English 1308 GMT 31 Oct 94

[FBIS Transcribed Text] Tallinn, Oct 31, BNS—Estonia's prime minister-in-waiting, Andres Tarand, in remarks to reporters on Monday [31 October] indicated he won't issue the list of his new Cabinet before Thursday. He said negotiations on the share-out of ministerial portfolios were still under way and there was no sure candidate for any of the posts so far.

Tarand said he had held talks with the Rural Centrist party over the agriculture minister. "They seem to be preferring Aldo Tamm," he said of the party which holds the offices of the agriculture minister and minister of reform, occupied respectively by Jaan Leetsar and Liia Hanni, in the current Cabinet.

The new prime minister also mentioned that the post of the interior minister in his new Cabinet would be filled by somebody from outside the parliament. He said it was highly unlikely because of pressure from parliament groups that Heiki Arike, interior minister in the outgoing Cabinet, would keep his post.

"It is very difficult to choose a candidate for interior minister and therefore the name of the new minister could be among the last ones (to be named under formation of the new government)," he added.

Latest reports mention Vootele Hansen, who seceded from the Pro Patria in spring, a most likely candidate to replace Tarand as environment minister.

The Pro Patria parliament group has said it is opposed to taking into the new Cabinet members from the Rightist faction, set up by ex-Pro Patria MP's. But Pro Patria has also added it would accept the nomination of Hansen as a exception.

Pro Patria said it won't back down on a demand that it must keep the three key ministerial posts of foreign affairs, economy and justice. The party could be ready to negotiate about the posts of the defense minister and energy minister.

Tarand told reporters Monday he wouldn't replace the ministers of foreign affairs and defense. The offices are held at present by Juri Luik and Enn Tupp.

Tarand News Conference on Environmental Achievements

WS0111104494 Tallinn ETA in English 0745 GMT 1 Nov 94

[From 1 November EESTI SONUMID, POSTIMEES, RAHVA HAAL, p 1,3; "News Bulletin" No.212/94]

[FBIS Transcribed Text] Tuesday, November 1—Environment Minister and prime ministerial candidate Andres Tarand held a news conference yesterday on his achievements in the past two years.

A number of changes were made in the environment protection services, particularly concerning natural resources. Another important sphere is the monitoring of environment and plans for future. Tarand also stressed the importance of foreign relations and the backwardness in information.

Foreign aid in environment protection has been mostly directed into concrete projects, plus consultations and training. The minister enumerated some failings of the ministry, primarily the inadequate cooperation with other departments. The change of the forms of ownership has also conflicted with environmental protection. The present environment monitoring and control system is hardly adequate, but the budget does not allow more.

The minister pointed out the situation in Kunda as an example of an agreement between the state, local government and an enterprise. Dealing with the pollution of the Baltic Sea is a matter of honour, while the pollution caused by the Soviet/Russian military is a problem for the next hundred years, he said.

The Environment Ministry has submitted seven draft laws within the nine months of 1994, five of them were

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passed, and 13 government resolutions. The minister has issued 43 resolutions in his department.

Tarand also discussed his possible successor, mentioning the name of "Right-wing" MP Vootele Hansen. Moderate MP Aldo Tamm could be Agriculture Minister, he added. "Right-wing" faction chairwoman Karin Jaani commented that the excessive demands of the "Fatherland" faction may force Tarand to reject the participation of both "Fatherland" and "Right-wing" members and to rely on the Moderates and the Liberals instead. The "Fatherland" has been claiming the portfolios of foreign, justice and interior ministers.

Tarand is to present his cabinet to the president on Thursday.

Official on Transition to Professional Border Guard

WS0111101694 Tallinn ETA in English 1942 GMT 31 Oct 94

[FBIS Transcribed Text] Tallinn, October 31—In Estonia transition to professional borderguard, the expenses on which will be more effective, continues, head of Estonian Borderguard headquarters Aare Evisalu told a press conference on Monday [31 October], adding that according to the present speed of development the transition to professional borderguard, with a total of 3,500 men, will take about 5-6 years.

Estonian Borderguard, that celebrates its 72nd anniversary tomorrow, had 2,276 people in it on October 1, of whom 133 were officers, 319 NCO's [noncommisioned officers] and 588 professional borderguards. There are 675 regulars in the Borderguard, plus workers and officials, and 144 women serve in the Borderguard and 33 girls study at borderguard courses at present.

The fact that the number of professionals in Borderguard has increased considerably in 1994 while that of regulars has fallen to about 300, demonstrates that Estonian Borderguard changes into more professional and thus more effective, which is also proved by the fact that in the last half year no movement of great refugee groups has been reported over the border while earlier several groups of illegal Kurdish refugees tried to reach Sweden through Estonia.

By October 1, Estonian Borderguard had checked upon seven million people this year who crossed the state border: 12,573 people were sent back because of problems with documents, 1,358 persons who broke the visa regulations and 665 persons with faked documents were detained.

The borderguard has fined 1,292 persons this year for a total of 374.000 kroons of which three quarters of the money goes to local municipalities. Borderguard has confiscated 125 guns and 150 gas pistols and other arms. It has detained 87 stolen cars and handed over to the police 186 persons who were in these cars in 1994.

Evisalu said that in the development of the borderguard, the priority has been strengthening the land border, then the border by Lake Peipsi and now the main attention was directed to the sea border. A surveillance system of 11 radars is working at Estonian coast and a number of vessels have been acquired with the help of Finland and Sweden.

Latvia

Ulmanis, Davis Discuss Baltic Security Issues

LD3110195794 Riga Radio Riga Network in Latvian 1800 GMT 31 Oct 94

[FBIS Translated Text] Security issues of not only Latvia but also of other Baltic states were discussed during a meeting between Lynn Davis, U.S. under secretary of state for arms control and international security affairs, President Guntis Ulmanis, and U.S. Ambassador to Latvia Ints Silins. According to the press service of the Saeima, development of the Baltic [peacekeeping] battalion, security of the borders, and problems caused by smuggling of nuclear materials and organized crime were also discussed during the meeting. Guntis Ulmanis commended the U.S. support for withdrawal of the Russian army from Latvia.

Birkavs Discusses Baltic Battalion

LD3110191694 Riga Radio Riga Network in Latvian 1800 GMT 31 Oct 94

[FBIS Translated Text] [Announcer] During a meeting of Latvian and U.S. working groups today, an agreement was reached on future exchange of information and experts in various fields, Latvian Foreign Minister Valdis Birkavs told a news conference today. Birkavs explained that representatives of the two countries discussed problems related to the creation of the Baltic peacekeeping battalion, air space control, control of exports, and work of the police and customs. He then continued:

[Begin Birkavs recording] The most important thing is that our cooperation is becoming more and more specific and we see prospects for it. I am fully convinced that Lynn Davis [U.S. under secretary for arms control and international security affairs] will be visiting our country again and again. [end recording]

[Announcer] The head of the U.S. delegation, Lynn Davis, under secretary for arms control and international security affairs, said that assistance needed by Latvia to prepare the Baltic battalion was discussed during a meeting with Defense Minister Janis Trapans.

The United States could help organize training for teaching the English language and provide clothing and equipment. U.S. representatives have now recorded what specific assistance is needed by Latvia and the possibility of rendering it will be (?considered) in the future.

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Admittance to Council of Europe on 3 Feb Expected

LD3110150994 Riga Radio Riga Network in Latvian 1400 GMT 31 Oct 94

[FBIS Translated Text] Latvia will be admitted to the Council of Europe on 3 February 1995, Andrejs Pantelejevs, head of the Latvian delegation at the Council of Europe, announced today. As is known, on 24 October, the Judicial and Human Rights Committee of the Council of Europe supported Latvia's admission. After the decision by three committees of the Council of Europe to support Latvia's admission to the Council of Europe a resolution of a plenary session of the Parliamentary Assembly is a formality, Pantelejevs said.

Latvia's admission has to be approved by the Committee of Ministers of the Council of Europe, whose extraordinary session will be convened after the winter session at the end of January.

'Close Cooperation' Among Baltic States Favored

AU3110193894 Prague HOSPODARSKE NOVINY in Czech 20 Oct 94 p 39

[Interview with President Guntis Ulmanis by Pavel Richer in Riga; date not given: "The Supreme Latvian Official Does Not Want To Redivide Europe into Zones"]

[FBIS Translated Text] [Richter] Mr. President, what relations does Latvia have with the Czech Republic and with Europe in general?

[Ulmanis] I would be happy if we looked at these relations from the viewpoint of all three Baltic republics and Central Europe. At present, I see Europe as a whole, since its problems are similar to ours. Even though the Czech Republic is a step ahead of us, we perceive certain issues in the same way—for instance, the security issue. We would certainly not be helping matters if we strictly divided Europe into Eastern and Western Europe. We cannot take lightheartedly the possibility of a second Yalta. This issue is likely to be on the agenda of the talks between the presidents of the Baltic republics and President Havel in November.

[Richter] How do you perceive economic changes in the Baltic republics?

[Ulmanis] I do not understand why some people say that Estonia has a right-wing economic policy, and Latvia a left-wing one. All three Baltic republics are trying to integrate into European structures, privatize, not intervene in the private sector, and introduce a free market. Today, however, we have problems with agriculture. Its standards and productivity are very low. If we introduced a free market in this particular moment, our farmers would die. We cannot allow this, since our national feelings are based precisely in that sphere. As many as 78 percent of people in the cities have moved there for various reasons.

[Richter] Could Russia still prevent you from joining the Council of Europe?

(Ulmanis] I admit this possibility, but I am convinced that the opinion of the others will prevail, and Latvia will be accepted into the Council of Europe.

[Richter] Is it better, in your opinion, to strive to joining the European Union individually, or through regional associations?

[Ulmanis] In 1940, we came under Russian influence because we were not unified. We should learn a lesson from history. It is therefore desirable to move toward the European structures in close cooperation. We, as the Baltic Union, have similar problems. Yeltsin is the right man for Russia, but it is not clear who will come after him. If we are not united, the result may be bad once again.

Trade Contacts With Belarus To Be Restored

WS0111104894 Tallinn BNS in English 2117 GMT 31 Oct 94

[FBIS Transcribed Text] Riga, Oct 31, BNS—Latvian and Belarusian Government officials and business people met Monday [31 October] in Riga to restore bilateral trade contacts.

"The meeting is oriented toward exchange of information and restoration of contacts rather than to conclusion of agreements," Agriculture Ministry senior official Inesis Feiferis told BNS.

Belarus and Latvia used to have good economic contacts while parts of the Soviet Union and it would be worthwhile to restore them, said spokesman for the Belarusian delegation Ivan Kadusevic.

Belarus is interested in selling its farm equipment and buy fodder, grain, mineral fertilizers and other produce, he noted.

World Bank Lends Funds for Environmental Protection

WS0111115494 Riga LETA in English 1033 GMT 1 Nov 94

[FBIS Transcribed Text] Riga, November 1 LETA—On Monday, October 31, the economy and finance committee of the cabinet recommended that the government accept the agreement between the cabinet and the World Bank. Under this agreement the World Bank will lend Latvia 2.2 million lats for environmental protection of the coastal lands of the Baltic Sea. The reconstruction plan of the water supply network and sewage treatment plant of Liepaja has been completed. The cost of this work for the 1995-99 period will be about 11.6 million lats. It was also recommended that the governmment adopt regulations exempting free foreign aid shipments from customs duties and sales tax.

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There have also been changes in the domestic market of tobacco products. Eighty-three licenses for the wholesale distribution of tobacco products have been granted and fifteen licenses for the import of tobacco and its products have been granted. Of the almost 33 million tobacco duty stamps, to be affixed to retail packages, sold by October 25, some 18 million were bought by House of Prince Riga. Since the introduction of the requirement that all tobacco products bear the government duty stamp, revenues from the tax on tobacco have increased from August by 13,737 lats to 201,725 lats in September.

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